

**SENATE JOURNAL  
65TH LEGISLATURE  
EIGHTY-SIXTH LEGISLATIVE DAY**

Helena, Montana  
April 26, 2017

Senate Chambers  
State Capitol

Senate convened at 11:00 a.m. President Sales presiding. Invocation by Senator Olszewski. Pledge of Allegiance to the Flag.

Roll Call. Forty-three members present. Senators Brown, Fielder, Jones, Keenan, Malek, Moore, and Sesso excused.

**BILLS AND JOURNALS** (Keenan, Chair):

4/26/2017

Correctly printed: **HB 586**.

Correctly engrossed: **HB 376**.

Correctly enrolled: **SB 59, SB 63, SB 64, SB 94, SB 111, SB 127, SB 143, SB 153, SB 155, SB 159, SB 173, SB 174, SB 189, SB 193, SB 196, SB 198, SB 205, SB 218, SB 233, SB 248, SB 258, SB 272, SB 293, SB 295, SB 309, SB 310, SB 311, SB 312, SB 333, SB 337, SB 340, SB 341, SB 363, SB 366**.

Examined by the sponsor and found to be correct: **SB 59, SB 63, SB 64, SB 90, SB 94, SB 111, SB 123, SB 143, SB 153, SB 159, SB 172, SB 173, SB 174, SB 177, SB 193, SB 196, SB 198, SB 205, SB 218, SB 233, SB 258, SB 272, SB 293, SB 309, SB 310, SB 311, SB 312, SB 333, SB 337, SB 340, SB 341, SB 363, SB 366**.

Transmitted to the House: **HB 226, HB 376, HB 586**.

Signed by the President at 3:03 p.m., April 26, 2017: **SB 26, SB 138, SB 183, SB 321, SB 339, SJ 6, SJ 11, SJ 16**.

Signed by the Secretary of the Senate at 3:30 p.m., April 26, 2017: **SB 26, SB 138, SB 183, SB 321, SB 339, SJ 6, SJ 11, SJ 16**.

Signed by the Speaker at 1:30 p.m., April 26, 2017: **SB 307**.

Delivered to the Governor at 1:45 p.m., April 26, 2017: **SB 307**.

**REPORTS OF SELECT COMMITTEES**

CONFERENCE COMMITTEE  
on House Amendments to **Senate Bill 374**  
Report No. 001, April 26, 2017

Mr. President and Mr. Speaker:

We, your Conference Committee met and considered House amendments to **Senate Bill 374** (reference copy -- salmon) and recommend this Conference Committee report be adopted.

And, recommend that **Senate Bill 374** (reference copy -- salmon) be amended as follows:

1. Page 2, line 30 through page 3, line 5.

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**Strike:** "MAY:" on page 2, line 30 through "ACCESS." on page 3, line 5

**Insert:** "and the electric utility may negotiate ownership and maintenance of the extension."

For the Senate:

Ankney, Chair  
Connell  
Wolken

For the House:

Zolnikov, Vice Chair  
Bishop  
O'Hara

**MESSAGES FROM THE GOVERNOR**

April 25, 2017

The Honorable Scott Sales  
President of the Senate  
State Capitol  
Helena, MT 59620

Dear President Sales:

In accordance with the power vested in me as Governor by the Constitution and the laws of the State of Montana, I hereby **return with amendments Senate Bill 55** (SB 55), "AN ACT REVISING LAWS RELATED TO LICENSING, FEES, INSPECTIONS, AND PENALTIES FOR PLANT NURSERIES; REVISING DEFINITIONS; PROVIDING FOR NURSERY LICENSE FEES BASED ON GROSS ANNUAL SALES; EXPANDING RULEMAKING AUTHORITY; PROVIDING AN APPROPRIATION; AMENDING SECTIONS 80-7-105, 80-7-106, 80-7-108, 80-7-109, 80-7-110, 80-7-123, 80-7-133, AND 80-7-135, MCA; REPEALING SECTION 80-7-122, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

Agriculture is the backbone of Montana's economy, and the landscape and nursery sector is an important part of the industry. The Department of Agriculture (Department) has worked in earnest with the landscape and nursery industry in Montana for years to come up with a bill that works for both parties. Unfortunately, SB 55 in its current form has lost support from the industry.

Respecting the time that has gone into this bill, I am proposing an amendment that will restore the fee schedule to its original form as passed by the Senate. Amending this bill back to the fee schedule presented in that version will allow the industry and the Department to move forward together with a fee schedule that is acceptable to both parties.

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I respectfully ask for your support of these amendments.

Sincerely,

STEVE BULLOCK  
Governor

**Amendments to Senate Bill No. 55**  
Reference Copy  
Requested by the Governor

For the Senate Committee of the Whole

Prepared by Susan Byorth Fox  
April 25, 2017 (3:03pm)

1. Page 3, line 13 through 22.

**Strike:** subsection (3) (a) in its entirety

**Insert:** "(3) (a) The license fees for each location for a firm, nursery, or plant dealer are as follows:

Gross annual sales of nursery stock:	Fee range:
not more than \$5,000	\$25 to \$35
\$5,001 to \$75,000	\$135 to \$185
\$75,001 to \$150,000	\$200 to \$250
\$150,001 to \$250,000	\$300 to \$350
Over \$250,000	\$400 to \$450"

Senators Moore, Keenan, Malek, Sesso, and Jones present at this time.

**MOTIONS**

Majority Leader Thomas moved the Senate **suspend joint rule 40-200** to accept late transmission of **SB 168** from the House and that **SB 168** be placed on second reading this day. Motion carried as follows:

Yeas: Barrett, Blasdel, Boland, Buttrey, Caferro, Cohenour, Facey, Fitzpatrick, Gauthier, Gross, Hoven, Jones, Lang, MacDonald, Malek, McClafferty, McNally, Moore, Osmundson, Phillips, Pomnichowski, Richmond, Salomon, Sands, Sesso, Small, Smith F, Swandal, Thomas, Vincent, Vuckovich, Whitford, Wolken.

Total 33

Nays: Ankney, Connell, Hinebauch, Hinkle, Howard, Kary, Keenan, Olszewski, Regier, Smith C, Tempel, Vance, Webb, Welborn, Mr. President.

Total 15

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Absent or not voting: None.

Total 0

Excused: Brown, Fielder.

Total 2

Majority Leader Thomas moved the Senate **suspend rule S50-190** to allow bills which pass second reading this day to be placed on third reading this same day. Motion carried as follows:

Yeas: Ankney, Barrett, Blasdel, Boland, Buttrey, Caferro, Cohenour, Connell, Facey, Fitzpatrick, Gauthier, Gross, Hinebauch, Hinkle, Hoven, Howard, Jones, Kary, Keenan, Lang, MacDonald, Malek, McClafferty, McNally, Moore, Olszewski, Osmundson, Phillips, Pomnichowski, Regier, Richmond, Salomon, Sands, Sesso, Small, Smith C, Smith F, Swandal, Tempel, Thomas, Vance, Vincent, Vuckovich, Webb, Welborn, Whitford, Wolken, Mr. President.

Total 48

Nays: None.

Total 0

Absent or not voting: None.

Total 0

Excused: Brown, Fielder.

Total 2

**SECOND READING OF BILLS  
(COMMITTEE OF THE WHOLE)**

Majority Leader Thomas moved the Senate resolve itself into a Committee of the Whole for consideration of business on second reading. Motion carried. Senator Vincent in the chair.

Mr. President: We, your Committee of the Whole, having had under consideration business on second reading, recommend as follows:

**HB 376** - Senator Thomas moved **HB 376** be concurred in.

**HB 376** - Senator Salomon moved **HB 376**, second reading copy, be amended as follows:

1. Title, page 1, line 11 through line 14.

**Strike:** "DEFINING" on line 11 through "RENEWALS;" on line 14

**Insert:** "DEFINING "CHARTER SCHOOL"; PROVIDING A PROCESS THROUGH WHICH SCHOOL DISTRICT TRUSTEES MAY ESTABLISH A CHARTER SCHOOL AND EXPECTATIONS FOR THE OPERATION OF A CHARTER SCHOOL;"

2. Page 1.

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**Following:** line 16

**Strike:** everything after the enacting clause

**Insert:** "NEW SECTION. Section 1. Short title. [Sections 1 through 5] may be cited as the "Public Charter Schools Act"."

**Insert:** "NEW SECTION. Section 2. Legislative intent -- charter school defined. (1) [Sections 1 through 5] are intended to provide an alternative means within the public school system for personalizing learning while ensuring the necessary outcomes of education by offering opportunities for school district trustees, in collaboration with communities and school district staff, to establish and maintain charter schools that are under the supervision and control of the elected school boards pursuant to Article X, section 8, of the Montana constitution, subject to general supervision of the board of public education pursuant to Article X, section 9(3), of the Montana constitution.

(2) As used in [sections 1 through 5], "charter school" means a public school that is established and governed by a board of trustees of a public school district as defined in 20-6-101 for one or more of the purposes set forth in [section 3] and that exclusively serves children who are residents of the district or children attending outside their resident district pursuant to 20-5-321.

(3) In order to promote the flexible operation of a charter school, a school district operating a charter school may seek a variance to accreditation requirements through a procedure adopted by the board of public education.

(4) A charter school may be maintained in a separate facility or in an existing school facility if the charter school is operated independently from the other school in the shared facility.

(5) Each charter school shall offer a general curriculum appropriate to the grades offered at the charter school but may include one or more special programs as part of its curriculum. A charter school may be organized around a special emphasis, theme, or concept or may utilize innovative educational methods or practices, including proficiency-based learning consistent with the provisions of 20-9-311 and 20-1-301.

(6) In providing distance learning opportunities, a charter school shall:

(a) for K-12 curriculum, exclusively use the Montana digital academy established in 20-7-1201;

(b) for dual credit purposes, use:

(i) the Montana digital academy;

(ii) a unit of the Montana university system as referenced in 20-25-201; or

(iii) a community college district as referenced in 20-15-101; and

(c) comply with the rules regarding the calculation of average number belonging set forth in 20-9-311.

(7) The opening of a charter school established pursuant to [sections 1 through 5] is exempt from the limitations on opening or reopening a school under 20-6-502 and 20-6-503."

**Insert:** "NEW SECTION. Section 3. Authorization to establish -- purposes. (1) A charter school may be established and governed by the board of trustees within a school district, either as a new school or as a conversion of an existing school, if a majority of the board of trustees votes for the creation of a charter school. The trustees may convert one or more schools to charter schools and nothing in [sections 1 through 5] precludes the board of

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trustees from converting all schools of the district to charter schools.

(2) In the case of a conversion of an existing school or creation of a new charter school, the board shall negotiate salary, benefits, and working conditions with affected labor groups.

(3) The board of trustees of any school district defined in 20-6-101 may establish a charter school as a means of providing new opportunities for:

- (a) improved pupil learning;
- (b) increased learning opportunities for pupils in special areas of emphasis in accordance with themes established for charter schools; or
- (c) creative and unconventional instructional techniques and structures.

(4) A school district establishing a charter school under this section may apply to the board of public education for variances to any standards set forth in board of public education rules, excluding standards pertaining to teacher licensure or endorsement. The procedure for applying for variances to standards of the board of public education must be set forth in board of public education rules, and the determination regarding whether to waive any standards must be in the sole discretion of the board of public education."

**Insert:**        "NEW SECTION. Section 4. Expectations. (1) A charter school shall provide an education that meets or exceeds the requirements of the Montana constitution, state law, and school accreditation standards except as specifically otherwise approved through a variance to standards by the board of public education.

(2) To be established pursuant to a vote of the board of trustees or the qualified electors, a charter school shall, at a minimum, guarantee the following:

- (a) elected school board governance, supervision, and control over the charter school and its operations;
- (b) unrestricted, open student access for all children who are residents of the district or children subject to attendance with mandatory approval pursuant to 20-5-321;
- (c) compliance with all health and safety laws;
- (d) teacher licensure and endorsement to the same extent as required or provided by state law or accreditation standards;
- (e) employee collective bargaining to the same extent as required or provided by state law; and
- (f) a plan for soliciting input on vital formation and implementation issues from community members and school district staff through the formation of advisory committees, the conduct of properly noticed public meetings for purposes of hearing comment, or any other reasonable means that result in an opportunity for input by staff and community members prior to a decision of significant interest on establishing a charter school."

**Insert:**        "NEW SECTION. Section 5. Termination. A school district may discontinue an approved charter school upon completion of any school fiscal year. If the district decides to discontinue a charter school, it shall promptly notify the board of public education in writing."

**Insert:**        "NEW SECTION. Section 6. Notification to tribal governments. The secretary of state shall send a copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell Chippewa tribe."

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**Insert:**            "NEW SECTION. Section 7. Codification instruction. [Sections 1 through 5] are intended to be codified as an integral part of Title 20, and the provisions of Title 20 apply to [sections 1 through 5]."

**Insert:**            "NEW SECTION. Section 8. Effective date. [This act] is effective July 1, 2017."

Amendment adopted as follows:

Yeas: Ankney, Barrett, Blasdel, Boland, Buttrey, Caferro, Cohenour, Connell, Fitzpatrick, Gauthier, Gross, Hoven, Howard, Jones, Kary, Lang, MacDonald, Malek, McClafferty, McNally, Moore, Osmundson, Phillips, Pomnichowski, Regier, Richmond, Salomon, Sands, Sesso, Small, Swandal, Tempel, Thomas, Vincent, Vuckovich, Welborn, Whitford, Wolken.  
Total 38

Nays: Facey, Hinebauch, Hinkle, Keenan, Olszewski, Smith C, Smith F, Vance, Webb, Mr.President.  
Total 10

Absent or not voting: None.  
Total 0

Excused: Brown, Fielder.  
Total 2

**HB 376** - Bill, as amended, was concurred in as follows:

Yeas: Ankney, Blasdel, Buttrey, Caferro, Connell, Fitzpatrick, Gauthier, Hinebauch, Hinkle, Howard, Jones, Kary, Keenan, Lang, McClafferty, Moore, Olszewski, Osmundson, Phillips, Regier, Richmond, Salomon, Small, Smith C, Smith F, Swandal, Thomas, Vance, Vincent, Vuckovich, Webb, Mr.President.  
Total 32

Nays: Barrett, Boland, Cohenour, Facey, Gross, Hoven, MacDonald, Malek, McNally, Pomnichowski, Sands, Sesso, Tempel, Welborn, Whitford, Wolken.  
Total 16

Absent or not voting: None.  
Total 0

Excused: Brown, Fielder.  
Total 2

**HB 586** - Senator Richmond moved **HB 586** be concurred in. Motion carried as follows:

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Yeas: Ankney, Barrett, Blasdel, Boland, Buttrey, Caferro, Cohenour, Connell, Facey, Fitzpatrick, Gauthier, Gross, Howard, Jones, Kary, Keenan, Lang, MacDonald, Malek, McClafferty, McNally, Moore, Olszewski, Osmundson, Phillips, Pomnichowski, Regier, Richmond, Salomon, Sands, Sesso, Small, Smith C, Smith F, Swandal, Tempel, Thomas, Vincent, Vuckovich, Webb, Whitford, Wolken.  
Total 42

Nays: Hinebauch, Hinkle, Hoven, Vance, Welborn, Mr.President.  
Total 6

Absent or not voting: None.  
Total 0

Excused: Brown, Fielder.  
Total 2

Majority Leader Thomas moved the committee **rise, report progress, and beg leave to sit again**. Motion carried. Committee arose. Senate resumed. President Sales presiding.

Chair Vincent moved the Committee of the Whole report be adopted. Report adopted as follows:

Yeas: Ankney, Barrett, Blasdel, Boland, Buttrey, Caferro, Cohenour, Connell, Facey, Fitzpatrick, Gauthier, Gross, Hinebauch, Hinkle, Hoven, Howard, Jones, Kary, Keenan, Lang, MacDonald, Malek, McClafferty, McNally, Moore, Olszewski, Osmundson, Phillips, Pomnichowski, Regier, Richmond, Salomon, Sands, Sesso, Small, Smith C, Swandal, Tempel, Thomas, Vance, Vincent, Vuckovich, Webb, Welborn, Wolken, Mr.President.  
Total 46

Nays: Smith F, Whitford.  
Total 2

Absent or not voting: None.  
Total 0

Excused: Brown, Fielder.  
Total 2

**THIRD READING OF BILLS**

The following bills having been read three several times, title and history agreed to, were disposed of in the following manner:

**SB 314, as amended by the Governor**, passed as follows:

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Yeas: Ankney, Barrett, Blasdel, Buttrey, Caferro, Connell, Facey, Fitzpatrick, Gauthier, Gross, Hinebauch, Hinkle, Hoven, Howard, Jones, Kary, Keenan, Lang, MacDonald, Malek, McClafferty, McNally, Moore, Olszewski, Osmundson, Phillips, Pomnichowski, Regier, Richmond, Salomon, Sands, Sesso, Small, Smith C, Swandal, Tempel, Thomas, Vance, Vincent, Vuckovich, Webb, Welborn, Whitford, Wolken, Mr.President.  
Total 45

Nays: Boland, Cohenour, Smith F.  
Total 3

Absent or not voting: None.  
Total 0

Excused: Brown, Fielder.  
Total 2

**SB 359, Free Conference Committee Report No. 1**, adopted as follows:

Yeas: Ankney, Blasdel, Buttrey, Connell, Facey, Fitzpatrick, Gauthier, Hinebauch, Hinkle, Hoven, Howard, Jones, Kary, Keenan, Lang, Malek, Moore, Olszewski, Osmundson, Regier, Richmond, Salomon, Sesso, Small, Smith C, Smith F, Swandal, Tempel, Thomas, Vance, Vincent, Vuckovich, Webb, Welborn, Whitford, Wolken, Mr.President.  
Total 37

Nays: Barrett, Boland, Caferro, Cohenour, Gross, MacDonald, McClafferty, McNally, Phillips, Pomnichowski, Sands.  
Total 11

Absent or not voting: None.  
Total 0

Excused: Brown, Fielder.  
Total 2

**SB 368, Conference Committee Report No. 1**, adopted as follows:

Yeas: Ankney, Barrett, Blasdel, Buttrey, Caferro, Connell, Facey, Fitzpatrick, Gauthier, Gross, Hinebauch, Hinkle, Hoven, Howard, Jones, Kary, Keenan, Lang, MacDonald, McClafferty, Moore, Olszewski, Osmundson, Phillips, Pomnichowski, Regier, Richmond, Salomon, Sands, Sesso, Small, Smith C, Swandal, Tempel, Thomas, Vance, Vincent, Vuckovich, Webb, Welborn, Whitford, Mr.President.  
Total 42

Nays: Boland, Cohenour, Malek, McNally, Smith F, Wolken.  
Total 6

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Absent or not voting: None.

Total 0

Excused: Brown, Fielder.

Total 2

**SJ 5, as amended by the House**, passed as follows:

Yeas: Ankney, Barrett, Boland, Buttrey, Caferro, Cohenour, Connell, Facey, Fitzpatrick, Gauthier, Gross, Hinkle, Hoven, Jones, Lang, MacDonald, Malek, McClafferty, McNally, Phillips, Pomnichowski, Richmond, Sands, Sesso, Small, Smith F, Vincent, Vuckovich, Whitford, Wolken.

Total 30

Nays: Blasdel, Hinebauch, Howard, Kary, Keenan, Moore, Olszewski, Osmundson, Regier, Salomon, Smith C, Swandal, Tempel, Thomas, Vance, Webb, Welborn, Mr.President.

Total 18

Absent or not voting: None.

Total 0

Excused: Brown, Fielder.

Total 2

**HB 226** concurred in as follows:

Yeas: Ankney, Blasdel, Buttrey, Connell, Facey, Fitzpatrick, Gauthier, Hinebauch, Hoven, Howard, Jones, Kary, Keenan, Lang, Malek, McNally, Moore, Olszewski, Osmundson, Phillips, Regier, Richmond, Salomon, Sesso, Small, Smith C, Swandal, Thomas, Vance, Vincent, Vuckovich, Webb, Wolken.

Total 33

Nays: Barrett, Boland, Caferro, Cohenour, Gross, Hinkle, MacDonald, McClafferty, Pomnichowski, Sands, Smith F, Tempel, Welborn, Whitford, Mr.President.

Total 15

Absent or not voting: None.

Total 0

Excused: Brown, Fielder.

Total 2

**HB 639, Free Conference Committee Report No. 1**, concurred in as follows:

Yeas: Ankney, Barrett, Blasdel, Boland, Buttrey, Caferro, Cohenour, Connell, Facey, Gauthier,

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Gross, Jones, Lang, MacDonald, Malek, McClafferty, McNally, Moore, Osmundson, Phillips, Pomnichowski, Richmond, Salomon, Sands, Sesso, Small, Smith F, Swandal, Tempel, Thomas, Vincent, Vuckovich, Whitford, Wolken.

Total 34

Nays: Fitzpatrick, Hinebauch, Hinkle, Hoven, Howard, Kary, Keenan, Olszewski, Regier, Smith C, Vance, Webb, Welborn, Mr.President.

Total 14

Absent or not voting: None.

Total 0

Excused: Brown, Fielder.

Total 2

**HB 376** concurred in as follows:

Yeas: Ankney, Blasdel, Buttrey, Caferro, Connell, Fitzpatrick, Gauthier, Hinebauch, Hinkle, Howard, Jones, Kary, Keenan, Lang, McClafferty, Moore, Olszewski, Osmundson, Phillips, Regier, Richmond, Salomon, Sesso, Small, Smith C, Swandal, Thomas, Vance, Vincent, Vuckovich, Webb, Mr.President.

Total 32

Nays: Barrett, Boland, Cohenour, Facey, Gross, Hoven, MacDonald, Malek, McNally, Pomnichowski, Sands, Smith F, Tempel, Welborn, Whitford, Wolken.

Total 16

Absent or not voting: None.

Total 0

Excused: Brown, Fielder.

Total 2

**HB 586** concurred in as follows:

Yeas: Ankney, Barrett, Blasdel, Boland, Buttrey, Caferro, Cohenour, Connell, Facey, Fitzpatrick, Gauthier, Gross, Hinebauch, Hinkle, Howard, Jones, Kary, Keenan, Lang, MacDonald, Malek, McClafferty, McNally, Moore, Olszewski, Osmundson, Phillips, Pomnichowski, Regier, Richmond, Salomon, Sands, Sesso, Small, Smith C, Smith F, Swandal, Tempel, Thomas, Vincent, Vuckovich, Webb, Whitford, Wolken.

Total 44

Nays: Hoven, Vance, Welborn, Mr.President.

Total 4

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Absent or not voting: None.

Total 0

Excused: Brown, Fielder.

Total 2

**SPECIAL ORDERS OF THE DAY**

Senator Keenan addressed the Senate about the appropriations process and rules related to companion bills.

**ANNOUNCEMENTS**

Majority Leader Thomas moved the Senate recess until 2:00 p.m. this day. Senate recessed at 12:22 p.m.

Senate reconvened at 2:00 p.m. President Sales presiding. Forty-eight members present, Senators Brown and Fielder excused.

**REPORTS OF SELECT COMMITTEES**

**FREE CONFERENCE COMMITTEE**

on **Senate Bill 95**

Report No. 001, April 26, 2017

Mr. President and Mr. Speaker:

We, your Free Conference Committee met and considered **Senate Bill 95** (reference copy -- salmon) and recommend this Free Conference Committee report be adopted.

And, recommend that **Senate Bill 95** (reference copy -- salmon) be amended as follows:

1. Title, page 1, line 4.

**Strike:** "TRANSFERS AND OTHER"

2. Title, page 1, line 5.

**Following:** "ACT;"

**Insert:** "ESTABLISHING A TEMPORARY STATE LANDS REIMBURSEMENT BLOCK GRANT; PROVIDING FOR LEGISLATIVE INTENT; CREATING A BUREAU OF CRIME CONTROL; PROVIDING TRANSITION INSTRUCTIONS; REQUIRING REPORTING ON THE TRANSITION OF ALLOCATING THE BOARD OF CRIME CONTROL TO THE DEPARTMENT OF CORRECTIONS FOR ADMINISTRATIVE PURPOSES;"

3. Title, page 1, line 17.

**Strike:** "AN"

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**Strike:** "DATE"

**Insert:** "DATES AND A TERMINATION DATE"

4. Page 1, line 23 through 27.

**Strike:** everything after the enacting clause

**Insert:** "NEW SECTION. Section 1. Legislative intent. The legislature intends that for the biennium beginning July 1, 2017, the department of corrections will amend its contract with Great Falls Pre-Release Services, Inc., to remove the contract language related to the "Booters" as a result of the passage of House Bill No. 650. The legislature further intends that the department of corrections work cooperatively with Great Falls Pre-Release Services, Inc., to develop an alternative purpose for the contract that is mutually agreeable to both organizations."

**Insert:** "NEW SECTION. Section 2. Crime control bureau. There is a bureau within the office of the director called the crime control bureau. The purpose of the bureau is to provide staff and support to the board of crime control established in 2-15-2006."

**Insert:** "NEW SECTION. Section 3. Transition instructions and reporting. (1) The staff of the board of crime control, the department of justice, and the department of corrections shall develop a transition plan to allow for the least impactful transition of the board to the department of corrections. The plan must be presented to the legislative finance committee no later than June 30, 2017.

(2) From July 1, 2017, to December 31, 2017, the staff of the board of crime control, in collaboration with the department of corrections, shall implement the plan to fully transition the board to the department of corrections by January 1, 2018, in a manner that ensures the least amount of:

- (a) delay in grant recipients receiving funds;
- (b) impact in reporting for affected grant recipients; and
- (c) impact for transitioning grants between DUNS numbers with the federal government.

(3) To the extent transferring a grant from the department of justice to the department of corrections jeopardizes the grant, as determined by the budget director, the grant may not be transferred to the department of corrections.

(4) The department of corrections shall report at least three times to each of the following committees during the biennium beginning July 1, 2017, on the progress of the transition implementation:

- (a) the legislative finance committee;
- (b) the legislative audit committee;
- (c) the law and justice interim committee; and
- (d) the local government interim committee."

**Insert:** "NEW SECTION. Section 4. State lands reimbursement block grant. (1) (a) For each fiscal year of the biennium beginning July 1, 2017, the office of public instruction shall provide a state lands reimbursement block grant of \$100,000 to each school district in a county with greater than 20% of the county's land area composed of state school trust lands.

(b) The electronic reporting system that is used by the office of public instruction and school districts must be used to allocate the block grant amount into each district's general fund budget as an anticipated revenue source.

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(2) Each year, 70% of each district's block grant must be distributed in November and 30% of each district's block grant must be distributed in May at the same time that guaranteed tax base aid is distributed."

**Insert:**        "NEW SECTION. Section 5. Codification instruction. (1) [Section 2] is intended to be codified as an integral part of Title 2, chapter 15, part 23, and the provisions of Title 2, chapter 15, part 23, apply to [section 2].

(2) [Section 4] is intended to be codified as an integral part of Title 20, chapter 9, part 6, and the provisions of Title 20, chapter 9, part 6, apply to [section 4]."

**Insert:**        "COORDINATION SECTION. Section 6. Coordination instruction. If both [this act] and House Bill No. 650 are passed and approved and House Bill No. 650 amends 61-3-321, then the section amending 61-3-321 in House Bill No. 650 is void and 61-3-321 must be amended as follows:

**"61-3-321. Registration fees of vehicles and vessels -- certain vehicles exempt from registration fees -- disposition of fees.**(1) Except as otherwise provided in this section, registration fees must be paid upon registration or, if applicable, renewal of registration of motor vehicles, snowmobiles, watercraft, trailers, semitrailers, and pole trailers as provided in subsections (2) through (20).

(2) ~~Unless (a)~~ Except as provided in subsection (2)(b), unless a light vehicle is permanently registered under 61-3-562, the annual registration fee for light vehicles, trucks and buses under 1 ton, and logging trucks less than 1 ton is as follows:

- ~~(a)~~(i) if the vehicle is 4 or less years old, \$217;
- ~~(b)~~(ii) if the vehicle is 5 through 10 years old, \$87; and
- ~~(c)~~(iii) if the vehicle is 11 or more years old, \$28.

(b) For a light vehicle with a manufacturer's suggested retail price of more than \$150,000 that is 10 years old or less, the annual registration fee is the amount provided for in subsection (2)(a) plus \$825.

(3) Except as provided in subsection (15), the one-time registration fee based on the declared weight of a trailer, semitrailer, or pole trailer is as follows:

- (a) if the declared weight is less than 6,000 pounds, \$61.25; or
- (b) if the declared weight is 6,000 pounds or more, \$148.25.

(4) Except as provided in subsection (15), the one-time registration fee for motor vehicles owned and operated solely as collector's items pursuant to 61-3-411, based on the weight of the vehicle, is as follows:

- (a) 2,850 pounds and over, \$10; and
- (b) under 2,850 pounds, \$5.

(5) Except as provided in subsection (15), the one-time registration fee for off-highway vehicles other than a quadricycle or motorcycle is \$61.25.

(6) The annual registration fee for heavy trucks, buses, and logging trucks in excess of 1 ton is \$22.75.

(7) (a) ~~The~~ Except as provided in subsection (7)(c), the annual registration fee for a motor home, based on the age of the motor home, is as follows:

- (i) less than 2 years old, \$282.50;
- (ii) 2 years old and less than 5 years old, \$224.25;

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(iii) 5 years old and less than 8 years old, \$132.50; and

(iv) 8 years old and older, \$97.50.

(b) The owner of a motor home that is 11 years old or older and that is subject to the registration fee under this section may permanently register the motor home upon payment of:

(i) a one-time registration fee of \$237.50;

(ii) unless a new set of license plates is being issued, an insurance verification fee of \$5, which must be deposited in the account established under 61-6-158;

(iii) if applicable, five times the renewal fees for personalized license plates under 61-3-406; and

(iv) if applicable, the donation fee for a generic specialty license plate under 61-3-480 or a collegiate license plate under 61-3-465.

(c) For a motor home with a manufacturer's suggested retail price of more than \$300,000 that is 10 years old or less, the annual registration fee is the amount provided in subsection (7)(a) plus \$800.

(8) (a) Except as provided in subsection (15), the one-time registration fee for motorcycles and quadricycles registered for use on public highways is \$53.25, and the one-time registration fee for motorcycles and quadricycles registered for both off-road use and for use on the public highways is \$114.50.

(b) An additional fee of \$16 must be collected for the registration of each motorcycle or quadricycle as a safety fee, which must be deposited in the state motorcycle safety account provided for in 20-25-1002.

(9) Except as provided in subsection (15), the one-time registration fee for travel trailers, based on the length of the travel trailer, is as follows:

(a) under 16 feet in length, \$72; and

(b) 16 feet in length or longer, \$152.

(10) Except as provided in subsection (15), the one-time registration fee for a motorboat, sailboat, personal watercraft, or motorized pontoon required to be numbered under 23-2-512 is as follows:

(a) for a personal watercraft or a motorboat, sailboat, or motorized pontoon less than 16 feet in length, \$65.50;

(b) for a motorboat, sailboat, or motorized pontoon at least 16 feet in length but less than 19 feet in length, \$125.50; and

(c) for a motorboat, sailboat, or motorized pontoon 19 feet in length or longer, \$295.50.

(11) (a) Except as provided in subsections (11)(b) and (15), the one-time registration fee for a snowmobile is \$60.50.

(b) (i) A snowmobile that is licensed by a Montana business and is owned exclusively for the purpose of daily rental to customers is assessed:

(A) a fee of \$40.50 in the first year of registration; and

(B) if the business reregisters the snowmobile for a second year, a fee of \$20.

(ii) If the business reregisters the snowmobile for a third year, the snowmobile must be permanently registered and the business is assessed the registration fee imposed in subsection (11)(a).

(12) (a) The one-time registration fee for a low-speed electric vehicle is \$25.

(b) The one-time registration fee for a golf cart that is owned by a person who has or is applying for a low-speed restricted driver's license is \$25.

(c) The one-time registration fee for golf carts authorized to operate on certain public

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streets and highways pursuant to 61-8-391 is \$25. Upon receipt of the fee, the department shall issue the owner a decal, which must be displayed visibly on the golf cart.

(13) (a) Except as provided in subsection (13)(b), a fee of \$10 must be collected when a new set of standard license plates, a new single standard license plate, or a replacement set of special license plates required under 61-3-332 is issued. The \$10 fee imposed under this subsection does not apply when previously issued license plates are transferred under 61-3-335. All registration fees imposed under this section must be paid if the vehicle to which the plates are transferred is not currently registered.

(b) An additional fee of \$15 must be collected if a vehicle owner elects to keep the same license plate number from license plates issued before January 1, 2010, when replacement of those plates is required under 61-3-332(3).

(c) The fees imposed in this subsection (13) must be deposited in the account established under 61-6-158, except that \$2 of the fee imposed in subsection (13)(a) must be deposited in the state general fund.

(14) The provisions of this part with respect to the payment of registration fees do not apply to and are not binding upon motor vehicles, trailers, semitrailers, snowmobiles, watercraft, or tractors owned or controlled by the United States of America or any state, county, city, or special district, as defined in 18-8-202, or to a vehicle or vessel that meets the description of property exempt from taxation under 15-6-201(1)(a), (1)(d), (1)(e), (1)(g), (1)(h), (1)(i), (1)(k), (1)(l), (1)(n), or (1)(o), 15-6-203, or 15-6-215, except as provided in 61-3-520.

(15) Whenever ownership of a trailer, semitrailer, pole trailer, off-highway vehicle, motorcycle, quadricycle, travel trailer, motor home, motorboat, sailboat, personal watercraft, motorized pontoon, snowmobile, motor vehicle owned and operated solely as a collector's item pursuant to 61-3-411, or low-speed electric vehicle is transferred, the new owner shall title and register the vehicle or vessel as required by this chapter and pay the fees imposed under this section.

(16) A person eligible for a waiver under 61-3-460 is exempt from the fees required under this section.

(17) Except as otherwise provided in this section, revenue collected under this section must be deposited in the state general fund.

(18) The fees imposed by subsections (2) through (12) are not required to be paid by a dealer for the enumerated vehicles or vessels that constitute inventory of the dealership.

(19) (a) Unless a person exercises the option in either subsection (19)(b) or (19)(c), an additional fee of \$6 must be collected for each light vehicle registered under this part. This fee must be accounted for and transmitted separately from the registration fee. The fee must be deposited in an account in the state special revenue fund to be used for state parks, for fishing access sites, and for the operation of state-owned facilities. Of the \$6 fee, the department of fish, wildlife, and parks shall use \$5.37 for state parks, 25 cents for fishing access sites, and 38 cents for the operation of state-owned facilities at Virginia City and Nevada City.

(b) A person who registers a light vehicle may, at the time of annual registration, certify that the person does not intend to use the vehicle to visit state parks and fishing access sites and may make a written election not to pay the additional \$6 fee provided for in subsection (19)(a). If a written election is made, the fee may not be collected.

(c) (i) A person who registers one or more light vehicles may, at the time of annual registration, certify that the person does not intend to use any of the vehicles to visit state parks and fishing access sites and may make a written election not to pay the additional \$6 fee

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provided for in subsection (19)(a). If a written election is made, the fee may not be collected at any subsequent annual registration unless the person makes the written election to pay the additional fee on one or more of the light vehicles.

(ii) The written election not to pay the additional fee on a light vehicle expires if the vehicle is registered to a different person.

(20) For each light vehicle, trailer, semitrailer, pole trailer, heavy truck, motor home, motorcycle, quadricycle, and travel trailer subject to a registration fee under this section, an additional fee of \$5 must be collected and forwarded to the state for deposit in the account established in 44-1-504.

(21) This section does not apply to a motor vehicle, trailer, semitrailer, or pole trailer that is governed by 61-3-721.

(22) (a) The \$800 and \$825 amounts collected based on the manufacturer's suggested retail price in subsections (2) and (7) are exempt from the provisions of 15-1-122 and must be deposited in the motor vehicle division administration account established in [section 4 of House Bill No. 650].

(b) By August 15 of each year, beginning in the fiscal year beginning July 1, 2019, the department of justice shall deposit into the general fund an amount equal to the fiscal yearend balance minus 25% of the current fiscal year appropriation for the motor vehicle division administration account established in [section 4 of House Bill No. 650]."

**Insert:**        "COORDINATION SECTION. Section 7. Coordination instruction. If both [this act] and House Bill No. 2 are passed and approved, then the following language must be inserted in Section C of House Bill No. 2:

(1) under "DEPARTMENT OF FISH, WILDLIFE, AND PARKS": "If sufficient federal funds are not received by the department for aquatic invasive species response, then the state special revenue appropriation for aquatic invasive species response may be increased and the federal special revenue decreased by like amounts."

(2) Under "DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION": "If sufficient federal funds are not received by the department for aquatic invasive species response, then the state special revenue appropriation for aquatic invasive species response may be increased and the federal special revenue decreased by like amounts.""

**Insert:**        "COORDINATION SECTION. Section 8. Coordination instruction. If both [this act] and House Bill No. 650 are passed and approved and House Bill No. 650 amends 2-15-2006, then the section amending 2-15-2006 in House Bill No. 650 is void and 2-15-2006 must be amended as follows:

**"2-15-2006. Board of crime control -- composition -- allocation.** (1) There is a board of crime control.

(2) The board is allocated to the department ~~for administrative purposes only as prescribed in 2-15-121. However, the board may hire its own personnel, and 2-15-121(2)(d) does not apply of corrections.~~

(3) The board is composed of 18 members appointed by the governor in accordance with 2-15-124 and any special requirements of Title I of the Omnibus Crime Control and Safe Streets Act, as amended. The board shall be representative of state and local law enforcement and criminal justice agencies, including agencies directly related to the prevention and control

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of juvenile delinquency, units of general local government, and public agencies maintaining programs to reduce and control crime and shall include representatives of citizens and professional and community organizations, including organizations directly related to delinquency prevention."

**Insert:** "COORDINATION SECTION. Section 9. Coordination instruction. If [this act], House Bill No. 650, and Senate Bill No. 59 are all passed and approved, then:

(1) [section 36 of House Bill No. 650] is void; and

(2) [section 3(1)(f) of Senate Bill No. 59] is void and [section 3(1)(d) of Senate Bill No. 59] must read as follows:

"(d) two employees of the department of corrections selected by the director, one of whom must have expertise in data collection and reporting."

**Insert:** "COORDINATION SECTION. Section 10. Coordination instruction. If both [this act] and House Bill No. 648 are passed and approved then [section 16 of House Bill No. 648] must be amended to read:

" **Section 16. Reductions to appropriations for fiscal year 2017.** The following appropriations for fiscal year 2017, as enacted in House Bill No. 2 in Ch. 400, Laws of 2015, are reduced as follows:

**Department of Justice**

Agency Legal Services Division from \$6,995,799 in general fund to \$6,870,799.

**Office of Public Instruction**

School Facility Reimbursement from \$8,586,000 in state special revenue to \$0."

**Insert:** "COORDINATION SECTION. Section 11. Coordination instruction. If [this act], House Bill No. 473, and House Bill No. 650 are passed and approved then:

(1) [section 35 of House Bill No. 650] is void; and

(2) the reference to 15-70-403(8) and 60-3-201(1)(e) in [section 5(2) of House Bill No. 650] must read "15-70-403(2)(b) and (3)(b)"."

**Insert:** "COORDINATION SECTION. Section 12. Coordination instruction. If [this act], House Bill No. 473, and House Bill No. 650 are passed and approved, then [section 34 of House Bill No. 650] is void."

**Insert:** "COORDINATION SECTION. Section 13. Coordination instruction. If both [this act] and House Bill No. 2 are passed and approved, then the state special revenue appropriations to the department of commerce under "Office of Tourism and Business Development" in Section A of House Bill No. 2 must be increased by \$200,000 in fiscal year 2018 and 2019."

**Insert:** "COORDINATION SECTION. Section 14. Coordination instruction. If House Bill No. 2 and [this act] are passed and approved, then the general fund appropriation for the department of natural resources and conservation under "Water Resources Division" in Section C of House Bill No. 2 must be reduced by \$200,000 in the fiscal year beginning July 1, 2017, and \$200,000 in the fiscal year beginning July 1, 2018. This reduction is intended to apply to

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the funding for the operation of the Montana reserved water rights compact commission."

**Insert:**            "COORDINATION SECTION. Section 15. Coordination instruction. If House Bill No. 2 and [this act] are passed and approved, then the state special revenue fund appropriations for the department of commerce under "Office of Tourism and Business Development" in Section A of House Bill No. 2 must be increased by \$100,000 in the fiscal year beginning July 1, 2017, and by \$100,000 in the fiscal year beginning July 1, 2018. This increase may only be used to provide grants to entities that address employment barriers through coaching and advocacy, develop skills in managing personal finances, or develop a skilled workforce within the community."

**Insert:**            "COORDINATION SECTION. Section 16. Coordination instruction. If House Bill No. 2 and [this act] are both passed and approved, then:

(1) the general fund appropriation for reimbursement block grants in House Bill No. 2 must be increased by \$100,000 in each fiscal year of the biennium beginning July 1, 2017, for the purpose of distributing state lands reimbursement block grants as provided in [section 4]; and

(2) the general fund appropriation for BASE aid in House Bill No. 2 must be reduced by \$34,000 in fiscal year 2018 and by \$42,000 in fiscal year 2019 for the purpose of guaranteed tax base reduction related to the distribution of state lands reimbursement block grants as provided in [section 4]."

**Insert:**            "COORDINATION SECTION. Section 17. Coordination instruction. If House Bill No. 2, Senate Bill No. 309, and [this act] are all passed and approved, then the state special revenue appropriation for Office of Tourism and Business Development in House Bill No. 2 must be increased by \$110,000 in the year beginning July 1, 2017, and \$120,000 in the year beginning July 1, 2018. The funding is restricted to the state-tribal economic development commission for the purposes of Senate Bill No. 309."

**Insert:**            "NEW SECTION. Section 18. Severability. If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid application's.

**Insert:**            "NEW SECTION. Section 19. Effective dates. (1) Except as provided in subsections (2) and (3), [this act] is effective July 1, 2017.

(2) [Sections 9 and 10] and this section are effective on passage and approval.

(3) [Sections 2, 5(1), 6, and 8] are effective January 1, 2018."

**Insert:**            "NEW SECTION. Section 20. Termination. [Section 4] terminates June 30, 2019."

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For the Senate:

L. Jones, Chair  
Moore  
Sesso

For the House:

Ballance, Vice Chair  
Brodehl  
Eck

**SECOND READING OF BILLS  
(COMMITTEE OF THE WHOLE)**

Majority Leader Thomas moved the Senate resolve itself into a Committee of the Whole for consideration of business on second reading. Motion carried. Senator Vincent in the chair.

Mr. President: We, your Committee of the Whole, having had under consideration business on second reading, recommend as follows:

**SB 168 - House Amendments** - Senator Malek moved House amendments to **SB 168** be concurred in. Motion carried as follows:

Yeas: Ankney, Barrett, Blasdel, Boland, Buttrey, Caferro, Cohenour, Facey, Fitzpatrick, Gauthier, Gross, Hinkle, Hoven, Jones, MacDonald, Malek, McClafferty, McNally, Moore, Phillips, Pomnichowski, Regier, Richmond, Salomon, Sands, Sesso, Small, Smith F, Swandal, Tempel, Thomas, Vincent, Vuckovich, Welborn, Whitford, Wolken.  
Total 36

Nays: Connell, Hinebauch, Howard, Kary, Keenan, Lang, Olszewski, Osmundson, Smith C, Vance, Webb, Mr.President.  
Total 12

Absent or not voting: None.  
Total 0

Excused: Brown, Fielder.  
Total 2

**SB 374 - Conference Committee Report No. 1** - Senator Ankney moved the Conference Committee report to **SB 374** be adopted. Motion carried as follows:

Yeas: Ankney, Barrett, Blasdel, Boland, Buttrey, Caferro, Cohenour, Connell, Facey, Fitzpatrick, Gauthier, Gross, Hinebauch, Hinkle, Hoven, Howard, Jones, Keenan, Lang, MacDonald, Malek, McClafferty, McNally, Moore, Olszewski, Osmundson, Phillips, Pomnichowski, Regier, Richmond, Salomon, Sands, Sesso, Small, Smith C, Smith F, Swandal, Tempel, Thomas, Vance, Vincent, Vuckovich, Webb, Welborn, Whitford, Wolken, Mr.President.  
Total 47

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Nays: Kary.

Total 1

Absent or not voting: None.

Total 0

Excused: Brown, Fielder.

Total 2

**SB 55 - Governor's Amendments** - Senator Salomon moved Governor's amendments to **SB 55** be concurred in. Motion carried as follows:

Yeas: Ankney, Barrett, Blasdel, Boland, Buttrey, Caferro, Cohenour, Connell, Facey, Fitzpatrick, Gauthier, Gross, Hinebauch, Hinkle, Hoven, Howard, Jones, Kary, Keenan, Lang, MacDonald, Malek, McClafferty, McNally, Moore, Olszewski, Osmundson, Phillips, Pomnichowski, Regier, Richmond, Salomon, Sands, Sesso, Small, Smith C, Smith F, Swandal, Tempel, Thomas, Vance, Vincent, Vuckovich, Webb, Welborn, Whitford, Wolken, Mr. President.  
Total 48

Nays: None.

Total 0

Absent or not voting: None.

Total 0

Excused: Brown, Fielder.

Total 2

Majority Leader Thomas moved the committee **rise, report progress, and beg leave to sit again**. Motion carried. Committee arose. Senate resumed. President Sales presiding.

Chair Vincent moved the Committee of the Whole report be adopted. Report adopted as follows:

Yeas: Ankney, Barrett, Blasdel, Boland, Buttrey, Caferro, Cohenour, Connell, Facey, Fitzpatrick, Gauthier, Gross, Hinebauch, Hinkle, Hoven, Howard, Jones, Kary, Keenan, Lang, MacDonald, Malek, McClafferty, McNally, Moore, Olszewski, Osmundson, Phillips, Pomnichowski, Regier, Richmond, Salomon, Sands, Sesso, Small, Smith C, Smith F, Swandal, Tempel, Thomas, Vance, Vincent, Vuckovich, Webb, Welborn, Whitford, Wolken, Mr. President.  
Total 48

Nays: None.

Total 0

Absent or not voting: None.

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Total 0

Excused: Brown, Fielder.

Total 2

**MOTIONS**

Majority Leader Thomas moved that **SB 95, Conference Committee** report, be placed on the second reading agenda this day. Without objection, so ordered.

**SECOND READING OF BILLS  
(COMMITTEE OF THE WHOLE)**

Majority Leader Thomas moved the Senate resolve itself into a Committee of the Whole for consideration of business on second reading. Motion carried. President Sales in the chair.

We, your Committee of the Whole, having had under consideration business on second reading, recommend as follows:

**SB 95 - Free Conference Committee Report No. 1** - Senator L. Jones moved the Free Conference Committee report to **SB 95** be adopted. Motion carried as follows:

Yeas: Ankney, Barrett, Blasdel, Boland, Buttrey, Caferro, Cohenour, Connell, Facey, Fitzpatrick, Gauthier, Gross, Jones, Lang, MacDonald, Malek, McClafferty, McNally, Moore, Olszewski, Osmundson, Phillips, Pomnichowski, Regier, Richmond, Sands, Sesso, Small, Smith C, Swandal, Tempel, Thomas, Vincent, Vuckovich, Welborn, Whitford, Wolken.

Total 37

Nays: Hinebauch, Hinkle, Hoven, Howard, Kary, Keenan, Salomon, Smith F, Vance, Webb, Mr.President.

Total 11

Absent or not voting: None.

Total 0

Excused: Brown, Fielder.

Total 2

Majority Leader Thomas moved the committee **rise, report progress, and beg leave to sit again**. Motion carried. Committee arose. Senate resumed. President Sales presiding.

Majority Leader Thomas moved the Committee of the Whole report be adopted. Report adopted as follows:

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Yeas: Ankney, Barrett, Blasdel, Boland, Buttrey, Caferro, Cohenour, Connell, Facey, Fitzpatrick, Gauthier, Gross, Hinebauch, Hinkle, Hoven, Howard, Jones, Kary, Lang, MacDonald, Malek, McClafferty, McNally, Moore, Olszewski, Osmundson, Phillips, Pomnichowski, Regier, Richmond, Salomon, Sands, Sesso, Small, Smith C, Swandal, Tempel, Thomas, Vance, Vincent, Vuckovich, Webb, Welborn, Whitford, Wolken, Mr. President.  
Total 46

Nays: Keenan, Smith F.  
Total 2

Absent or not voting: None.  
Total 0

Excused: Brown, Fielder.  
Total 2

**REPORTS OF SELECT COMMITTEES**

**FREE CONFERENCE COMMITTEE**

**on Senate Bill 261**

Report No. 001, April 26, 2017

Mr. President and Mr. Speaker:

We, your Free Conference Committee met and considered **Senate Bill 261** (reference copy -- salmon) and recommend this Free Conference Committee report be adopted.

And, recommend that **Senate Bill 261** (reference copy -- salmon) be amended as follows:

1. Title, page 1, line 10 through line 11.

**Strike:** "AUTHORIZING" on line 10 through "CONDITIONS;" on line 11

2. Title, page 1, line 12 through line 13.

**Strike:** "PLACING" on line 12 through "ISSUED;" on line 13

3. Title, page 1, line 14.

**Strike:** "PROVIDING AN APPROPRIATION;"

**Insert:** "PROVIDING LEGISLATIVE INTENT; PROVIDING FOR ELIMINATION AND REDUCTIONS TO VARIOUS APPROPRIATIONS AND EXPENDITURES BASED ON GENERAL FUND REVENUE RECEIVED IN FISCAL YEARS 2017 AND 2018; IMPOSING NOTIFICATION DUTIES ON THE STATE TREASURER;"

4. Title, page 1, line 15.

**Strike:** "17-7-205, 17-7-212,"

5. Title, page 1, line 16.

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**Strike:** "AN"

**Strike:** "DATE"

**Insert:** "DATES AND A TERMINATION DATE"

6. Page 1, line 20.

**Following:** "FUND"

**Insert:** " -- rules for deposits and transfers -- purpose"

7. Page 1, line 22 through page 2, line 15.

**Strike:** subsections (2) through (5) in their entirety

**Insert:** "(2) The purpose of the budget stabilization reserve fund is:

(a) to mitigate budget reductions when there is a revenue shortfall; and

(b) when there are funds in excess of the operating reserve level, to:

(i) pay down the debt service on bonds for capital projects previously authorized by the legislature if allowed without penalty by the terms of the bond issuance;

(ii) delay, forego, or reduce the amount of an issuance of bonds authorized by the legislature; and

(iii) allow the funds to remain in the account.

(3) By August 1 of each year, the department of administration shall certify to the legislative fiscal analyst and the budget director the following:

(a) the unaudited, unassigned ending fund balance of the general fund for the prior fiscal year; and

(b) the amount of unaudited general fund revenue and transfers into the general fund received in the prior fiscal year recorded when that fiscal year's statewide accounting, budgeting, and human resource system records are closed. General fund revenue and transfers into the general fund are those recorded in the statewide accounting, budgeting, and human resource system using generally accepted accounting principles in accordance with 17-1-102.

(4) For the fiscal years beginning July 1, 2016, through July 1, 2020, if actual general fund revenue exceeds the revenue estimate established pursuant to 5-5-227 for that fiscal year, excess revenue over the amount of revenue that exceeds the revenue estimate by \$15 million is allocated as follows:

(a) 50% remains in the general fund; and

(b) 50% is transferred into the budget stabilization reserve fund on or before August 15 of the following fiscal year.

(5) Starting in the fiscal year beginning July 1, 2021, the state treasurer shall transfer, by August 15 of the following fiscal year:

(a) if there is not an operating reserve differential, from the general fund to the budget stabilization reserve fund an amount equal to 50% of the excess revenue for the fiscal year;

(b) if there is an operating reserve differential for the fiscal year, from the general fund to the budget stabilization reserve fund an amount equal to 50% of the excess revenue for the fiscal year less the operating reserve differential; and

(c) if the ending fund balance of the general fund for the prior year is less than 6.8% of the amount of all general fund appropriations in the second year of the biennium, from the budget stabilization reserve fund to the general fund up to one-half of the amount in the budget

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stabilization reserve fund in excess of the amount of 2% of all general fund appropriations in the second year of the biennium in the subsequent fiscal year."

8. Page 2, line 19.

**Following:** "REVENUE"

**Insert:** ", including transfers in,"

9. Page 2, line 23.

**Following:** "FOR THE"

**Insert:** "most recently completed"

10. Page 2, line 24.

**Strike:** "PRIOR TO THE MOST RECENTLY COMPLETED FISCAL YEAR AND THE PRIOR FISCAL YEAR"

11. Page 2.

**Following:** line 24

**Insert:** "(e) "Operating reserve differential" means a nonnegative difference from 8.3% of all general fund appropriations in the second year of the biennium minus the sum of the ending fund balance for the prior year and 50% of excess revenue of the prior year."

12. Page 3, line 23 through line 25.

**Strike:** subsection (7) in its entirety

**Renumber:** subsequent subsections

13. Page 5, line 20 through line 22.

**Strike:** subsection (7) in its entirety

**Renumber:** subsequent subsections

14. Page 10, line 25.

**Strike:** "-- conditional transfer authority"

15. Page 10, line 30 through page 11, line 9.

**Strike:** subsection (i) through subsection (v) in their entirety

**Insert:** "(i) 6% of the general fund appropriations for the second fiscal year of the biennium prior to October of the year preceding a legislative session;

(ii) 3% of the general fund appropriations for the second fiscal year of the biennium in October of the year preceding a legislative session;

(iii) 2% of the general fund appropriations for the second fiscal year of the biennium in January of the year in which a legislative session is convened; and

(iv) 1% of the general fund appropriations for the second fiscal year of the biennium in March of the year in which a legislative session is convened."

16. Page 12, line 15.

**Strike:** "4%"

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**Insert:** "5%"

17. Page 12, line 24 through line 28.

**Strike:** subsection (c) in its entirety

18. Page 13, line 7.

**Strike:** "OR conditional transfers"

19. Page 13, line 8.

**Strike:** "through" through "(10)"

**Insert:** "and (7)"

20. Page 13, line 9 through page 15, line 4.

**Strike:** subsections (6) through (10) in their entirety

**Insert:** "(6) The governor may authorize transfers from the budget stabilization reserve fund provided for in [section 1]. The governor may authorize \$2 of transfers from the fund for each \$1 of reductions in spending.

(7) If the budget director certifies a projected general fund budget deficit, the governor may authorize transfers to the general fund from the fire suppression account established in 76-13-150. The amount of funds available for a transfer from this account is up to the sum of the fund balance of the account, plus expected current year revenue, minus the sum of 1% of the general fund appropriations for the second fiscal year of the biennium, plus estimated expenditures from the account for the fiscal year. The governor may authorize \$1 of transfers from the fire suppression account established in 76-13-150 for each \$1 of reductions in spending."

21. Page 15, line 11 through page 16, line 12.

**Strike:** sections 6 and 7 in their entirety

**Renumber:** subsequent sections

22. Page 16, line 23 through line 24.

**Strike:** "except as provided in 17-7-140(8)"

23. Page 17, line 4.

**Following:** line 3

**Insert:** "(9) For the fiscal year ending June 30, 2017, the state treasurer may not transfer from the general fund to the fire suppression account."

**Renumber:** subsequent subsections

24. Page 17, line 9.

**Strike:** "**CONTINGENT**"

**Insert:** "**Levels 1 through 4 budget reductions -- contingent**"

25. Page 17, line 9 through line 22.

**Strike:** subsection (1) through subsection (3) in their entirety

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**Insert:** "(1) (a) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2017 is less than \$2,216,000,000 but greater than or equal to \$2,204,000,000, as determined by the state treasurer on or before August 15, 2017, then the state treasurer shall transfer the amount provided for in subsection (1)(b) from the fire suppression account provided for in 76-13-150 to the general fund.

(b) The amount of the fund transfer provided for in subsection (1)(a) is equal to \$2,216,000,000 minus the amount of certified unaudited state general fund revenue and transfers into the general fund at the end of fiscal year 2017, not to exceed \$12 million.

(2) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2017 is less than \$2,204,000,000 but greater than or equal to \$2,192,000,000, as determined by the state treasurer on or before August 15, 2017, then the state treasurer shall transfer \$24 million from the fire suppression account provided for in 76-13-150 to the general fund.

(3) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2017 is less than \$2,192,000,000, as determined by the state treasurer on or before August 15, 2017, then the state treasurer shall transfer \$30 million from the fire suppression account provided for in 76-13-150 to the general fund.

(4)(a) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2018 is less than the 2018 general fund revenue trigger amount provided for in [section 10(2)], then the state treasurer shall transfer the amount provided for in subsection (4)(b) from the fire suppression account provided for in 76-13-150 to the general fund.

(b) Subject to the transfer limit in subsection (5), the amount of the fund transfer provided for in subsection (4)(a) is equal to:

(i) the 2018 general fund revenue trigger amount provided for in [section 10(2)] minus the amount of certified unaudited state general fund revenue and transfers into the general fund at the end of fiscal year 2018; minus

(ii) the amount of any transfers from the fire suppression account to the general fund during fiscal year 2017 under the provisions of subsections (1) through (3).

(5) The total amount of fund transfers under this section may not exceed \$30 million."

26. Page 17, line 24 through line 27.

**Strike:** section 10 in its entirety

**Insert:** "NEW SECTION. Section 8. Legislative intent. (1) The legislature acknowledges that it is likely that the executive will need to issue notes in anticipation of revenue pursuant to 17-1-201 during the biennium beginning July 1, 2017, in order to provide the state general fund with sufficient cash resources to meet its obligations.

(2) (a) The legislature directs the staff of the legislative fiscal division and the office of budget and program planning to study, analyze, and make recommendations regarding the budget stabilization policies to the legislative finance committee by May 1, 2018. The study should address:

(i) trigger levels in 17-7-140;

(ii) legislative and executive access to the budget stabilization reserve fund;

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- (iii) deposit rules into the budget stabilization reserve fund; and
- (iv) the level of operating reserve.

(b) The legislative fiscal division and the office of budget and program planning shall work jointly toward development of a set of best practices for the fund by September 1, 2018."

**Renumber:** subsequent sections

27. Page 18, line 1.

**Insert:**        "NEW SECTION. Section 10. State treasurer notification for budget reductions and fund transfers. (1) For the purpose of implementing [sections 7 and 11 through 32], the state treasurer shall notify the budget director, the legislative fiscal analyst, and the code commissioner on or before August 15, 2017, if the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2017 is:

- (a) equal to or greater than \$2,216,000,000;
- (b) less than \$2,216,000,000 but greater than or equal to \$2,204,000,000 (level 1 budget reduction);
- (c) less than \$2,210,000,000 but greater than or equal to \$2,204,000,000 (level 1.5 budget reduction);
- (d) less than \$2,204,000,000 but greater than or equal to \$2,192,000,000 (level 2 budget reduction);
- (e) less than \$2,192,000,000 but greater than or equal to \$2,180,000,000 (level 3 budget reduction); or
- (f) less than \$2,180,000,000 (level 4 budget reduction).

(2) (a) For the purpose of implementing [sections 7 and 11 through 32], the state treasurer shall notify the budget director, the legislative fiscal analyst, and the code commissioner on or before August 15, 2018, if the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2018 is less than the 2018 general fund revenue trigger amount provided for in subsection (2)(b).

(b) The 2018 general fund revenue trigger amount provided for in subsection (2)(a) is calculated based on the certification by the state treasurer in subsection (1) for fiscal year 2017. If the unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2017 is:

- (i) equal to or greater than \$2,216,000,000, as provided in subsection (1)(a), then the 2018 general fund revenue trigger amount is \$2,372,000,000;
- (ii) less than \$2,216,000,000 but greater than or equal to \$2,204,000,000, as provided in subsection (1)(b), then the 2018 general fund revenue trigger amount is:
  - (A) \$2,372,000,000; minus
  - (B) the amount of the fire suppression account transfer to the general fund under [section 7(1)], not to exceed \$12 million;
- (iii) less than \$2,204,000,000 but greater than or equal to \$2,192,000,000, as provided in subsection (1)(d), then the 2018 general fund revenue trigger amount is \$2,348,000,000; or
- (iv) less than \$2,192,000,000, as provided in subsection (1)(e) and (1)(f), then the 2018 general fund revenue trigger amount is \$2,336,000,000.

(3) For the purposes [sections 12 through 32], the following definitions apply:

- (a) "Level 2 or below" means a calculation that results in a 2018 general fund revenue

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trigger amount that is less than or equal to \$2,348,000,000.

(b) "Level 3 or below" means a calculation that results in a 2018 general fund revenue trigger amount that is less than or equal to \$2,336,000,000.

(c) "Level 4 or below" means a calculation that results in a 2018 general fund revenue trigger amount that is less than or equal to \$2,336,000,000.

(4) For the purpose of [sections 7 and 11 through 32] and this section:

(a) general fund collections are those recorded in the statewide accounting, budgeting, and human resource system using generally accepted accounting principles in accordance with 17-1-102 and include transfers into the general fund; and

(b) transfers from the fire suppression account to the general fund under [section 7] are not considered general fund revenue."

**Insert: "COORDINATION SECTION. Section 11. Coordination instruction -- level 1.5 budget reduction -- House Bill No. 17.** (1) If House Bill No. 17 is passed and approved, then [section 2 of House Bill No. 17] must be amended as follows:

**"Section 2. Effective date.** [This act] is effective ~~July 1,~~ August 15, 2017."

(2) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2017 is less than \$2,210,000,000, as determined by the state treasurer on or before August 15, 2017, and if House Bill No. 17 is passed and approved, then [section 1 of House Bill No. 17] must be amended as follows:

**"Section 1. Appropriation void -- report.** (1) ~~(a) The following amounts are appropriated to the department of public health and human services to increase the number of basic and adult residential service slots under the home and community-based medicaid services waiver administered by the senior and long-term care division for elderly and physically disabled individuals:~~

<del>_____ Fiscal year 2018 _____</del>	<del>\$1,083,686 federal special revenue</del>
	<del>\$585,064 general fund</del>
<del>_____ Fiscal year 2019 _____</del>	<del>\$2,528,601 federal special revenue</del>
	<del>\$1,365,149 general fund</del>

~~(b) The department of public health and human services shall increase~~ may consider increasing the number of basic and adult residential services slots by 200 slots over the biennium beginning July 1, 2019, phasing in 50 slots every 6 months of the biennium beginning July 1, 2019.

~~(2)(b) (a) The following amounts are appropriated to the~~ The department of public health and human services to increase may consider increasing the reimbursement rate for adult residential service slots in the home and community-based services waiver administered by the senior and long-term care division for elderly and physically disabled individuals:

<del>_____ Fiscal year 2018 _____</del>	<del>\$2,185,989 federal special revenue</del>
	<del>\$1,180,178 general fund</del>
<del>_____ Fiscal year 2019 _____</del>	<del>\$3,990,608 federal special revenue</del>
	<del>\$2,154,461 general fund</del>

~~(b) The appropriation provided for in this subsection (2) must be used to:~~

~~(i) If an increase is considered,~~ the base daily reimbursement rate for:

~~(i) 85% of the adult residential slots may be increased by up to \$5.80 starting July 1, 2017~~ 2019, and then every 6 months thereafter of the ~~2019~~ 2021 biennium; and

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(ii) ~~increase the base daily reimbursement rate for up to 15% of the adult residential slots may be increased by up to \$44.90 effective July 1, 2017 2019, to pay for memory care for individuals with Alzheimer's disease or other dementias.~~

~~(3)(2) The department shall report to the children, families, health, and human services interim committee by September 15, 2018 2020, and to the 66th 67th legislature, as provided in 5-11-210, on the any decisions to increase waiver slots and enhance reimbursement rates and the effectiveness of the increased waiver slots and enhanced reimbursement rates. The If a decision was made to increase waiver slots and enhance reimbursement rates, the report must include information on:~~

- ~~(a) the use of the new waiver slots;~~
- ~~(b) whether the increased reimbursement rates led to an increase in the number of providers accepting medicaid clients;~~
- ~~(c) whether the percentage of slots designated for memory care was adequate to address the need for that care; and~~
- ~~(d) whether fewer patients with Alzheimer's disease or other dementias were admitted to state facilities, including the Montana state hospital and the Montana mental health nursing care center. If fewer patients were admitted to state facilities, the department must estimate the amount of money saved by placing fewer individuals with Alzheimer's disease or other dementias in the facilities.~~

~~(4) The legislature intends that the appropriations in this section be considered a part of the ongoing base for the next legislative session."~~

**Insert:** "COORDINATION SECTION. **Section 12. Coordination instruction -- level 2 budget reduction -- across-the-board reduction in general fund appropriations.** (1) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2017 is less than \$2,204,000,000, as determined by the state treasurer on or before August 15, 2017, and if House Bill No. 2 is passed and approved [section 11 of House Bill No. 2] must be amended as follows:

**"Section 11. Appropriations -- reduced appropriations for certain fiscal year 2018 and 2019 general fund appropriations.** The (1) All general fund appropriations in this section for fiscal years 2018 and 2019, excluding the appropriations for K-12 BASE Aid, Reimbursement Block Grants, State Tuition Payments, Transportation, Natural Resource Development K-12 School Facilities Payment, and the Coal-Fired Generating Unit Closure Mitigation Block Grant are reduced by 0.5%.

(2) Subject to subsection (1), the following money is appropriated for the respective fiscal years:"

(2) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2018 is at level 2 or below as provided in [section 10(3)], and if prior general fund collections for fiscal year 2017 were high enough to prevent implementation of subsection (1), then if House Bill No. 2 is passed and approved [section 11 of House Bill No. 2] must be amended as follows:

**"Section 11. Appropriations -- reduced appropriations for certain fiscal year 2019 general fund appropriations.** The (1) All general fund appropriations in this section for fiscal year 2019, excluding the appropriations for K-12 BASE Aid, Reimbursement Block Grants, State Tuition Payments, Transportation, Natural Resource Development K-12 School Facilities

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Payment, Special Education, and the Coal-Fired Generating Unit Closure Mitigation Block Grant are reduced by 0.5%.

(2) Subject to subsection (1), the following money is appropriated for the respective fiscal years:"

**Insert:**        "COORDINATION SECTION. Section 13. Coordination instruction -- level 2 budget reduction -- reduction in state fund claims administration. (1) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2017 is less than \$2,204,000,000, as determined by the state treasurer on or before August 15, 2017, then 39-71-2352 must be amended as follows:

**"39-71-2352. Separate payment structure and sources for claims for injuries resulting from accidents that occurred before July 1, 1990, and on or after July 1, 1990 -- spending limit -- authorizing transfer of money.** (1) Premiums paid to the state fund based upon wages payable before July 1, 1990, may be used only to administer and pay claims for injuries resulting from accidents that occurred before July 1, 1990. Premiums paid to the state fund based upon wages payable on or after July 1, 1990, may be used only to administer and pay claims for injuries resulting from accidents that occur on or after July 1, 1990.

(2) The state fund shall:

(a) determine the cost of administering and paying claims for injuries resulting from accidents that occurred before July 1, 1990, and separately determine the cost of administering and paying claims for injuries resulting from accidents that occur on or after July 1, 1990;

(b) keep adequate and separate accounts of the costs determined under subsection (2)(a); and

(c) fund administrative expenses and benefit payments for claims for injuries resulting from accidents that occurred before July 1, 1990, and claims for injuries resulting from accidents that occur on or after July 1, 1990, separately from the sources provided by law.

(3) The state fund may not spend more than ~~\$1.25 million~~ \$625,000 a year to administer claims for injuries resulting from accidents that occurred before July 1, 1990.

(4) As used in this section, "adequately funded" means the present value of:

(a) the total cost of future benefits remaining to be paid; and

(b) the cost of administering the claims.

(5) An amount of funds in excess of the adequate funding amount established in subsection (4), based on audited financial statements adjusted for unrealized gains and losses, must be transferred to the general fund.

(6) If in any fiscal year after the old fund liability tax is terminated claims for injuries resulting from accidents that occurred before July 1, 1990, are not adequately funded, any amount necessary to pay claims for injuries resulting from accidents that occurred before July 1, 1990, must be transferred from the general fund to the account provided for in 39-71-2321.

(7) The independent actuary engaged by the state fund pursuant to 39-71-2330 shall project the unpaid claims liability for claims for injuries resulting from accidents that occurred before July 1, 1990, each fiscal year until all claims are paid."

(2) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2018 is at level 2 or below as provided in [section 10(3)], and if prior general fund collections for fiscal year 2017 were high enough to prevent implementation of subsection (1), then 39-71-2352 must be amended as follows:

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**"39-71-2352. Separate payment structure and sources for claims for injuries resulting from accidents that occurred before July 1, 1990, and on or after July 1, 1990 -- spending limit -- authorizing transfer of money.**

(1) Premiums paid to the state fund based upon wages payable before July 1, 1990, may be used only to administer and pay claims for injuries resulting from accidents that occurred before July 1, 1990. Premiums paid to the state fund based upon wages payable on or after July 1, 1990, may be used only to administer and pay claims for injuries resulting from accidents that occur on or after July 1, 1990.

(2) The state fund shall:

(a) determine the cost of administering and paying claims for injuries resulting from accidents that occurred before July 1, 1990, and separately determine the cost of administering and paying claims for injuries resulting from accidents that occur on or after July 1, 1990;

(b) keep adequate and separate accounts of the costs determined under subsection (2)(a); and

(c) fund administrative expenses and benefit payments for claims for injuries resulting from accidents that occurred before July 1, 1990, and claims for injuries resulting from accidents that occur on or after July 1, 1990, separately from the sources provided by law.

(3) The state fund may not spend more than ~~\$1.25 million~~ \$625,000 a year to administer claims for injuries resulting from accidents that occurred before July 1, 1990.

(4) As used in this section, "adequately funded" means the present value of:

(a) the total cost of future benefits remaining to be paid; and

(b) the cost of administering the claims.

(5) An amount of funds in excess of the adequate funding amount established in subsection (4), based on audited financial statements adjusted for unrealized gains and losses, must be transferred to the general fund.

(6) If in any fiscal year after the old fund liability tax is terminated claims for injuries resulting from accidents that occurred before July 1, 1990, are not adequately funded, any amount necessary to pay claims for injuries resulting from accidents that occurred before July 1, 1990, must be transferred from the general fund to the account provided for in 39-71-2321.

(7) The independent actuary engaged by the state fund pursuant to 39-71-2330 shall project the unpaid claims liability for claims for injuries resulting from accidents that occurred before July 1, 1990, each fiscal year until all claims are paid."""

**Insert: "COORDINATION SECTION. Section 14. Coordination instruction -- level 2 budget reduction -- HELP Act third-party administrator.**

(1) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2017 is less than \$2,204,000,000, as determined by the state treasurer on or before August 15, 2017, then notwithstanding 53-6-1305, for the biennium beginning July 1, 2017, the department of public health and humans services:

(a) may not enter into a new contract with one or more insurance companies or third-party administrators to assist in administering the Montana Health and Economic Livelihood Partnership (HELP) Act provided for in 53-6-1301; and

(b) must terminate any existing contract with an insurance company or third-party administrator related to the Montana Health and Economic Livelihood Partnership (HELP) Act.

(2) It is the intent of the legislature that the department of public health and human services refrain from contracting with one or more insurance companies or third-party

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administrators in administering the Montana Health and Economic Livelihood Partnership (HELP) Act until a determination is made by the state treasurer that revenue for fiscal year 2017 is equal to or greater than \$2,204,000,000.

(3) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2018 is at level 2 or below as provided in [section 10(3)], and if prior general fund collections for fiscal year 2017 were high enough to prevent implementation of subsection (1), then the provisions of subsection (1) apply to fiscal year 2019."

**Insert:**        "COORDINATION SECTION. Section 15. Coordination instruction -- level 3 budget reduction -- reduction in appropriation -- governor's office. (1) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2017 is less than \$2,192,000,000, as determined by the state treasurer on or before August 15, 2017, and if House Bill No. 2 is passed and approved, then the governor's office general fund appropriation for "Mental Disabilities Board of Visitors" in House Bill No. 2 is reduced by \$90,000 in fiscal year 2018 and \$90,000 in fiscal year 2019.

(2) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2018 is at level 3 or below as provided in [section 10(3)], and if prior general fund collections for fiscal year 2017 were high enough to prevent implementation of subsection (1), then the governor's office general fund appropriation for "Mental Disabilities Board of Visitors" in House Bill No. 2 is reduced by \$90,000 in fiscal year 2019.

(3) The governor's office may allocate the appropriation reductions in subsections (1) and (2) among programs when developing 2019 biennium operating plans.

(4) The appropriation reductions in subsections (1) and (2) are in addition to the across-the-board reduction in general fund appropriations in [section 12]."

**Insert:**        "COORDINATION SECTION. Section 16. Coordination instruction -- level 3 budget reduction -- reduction in appropriation -- legislative branch. (1) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2017 is less than \$2,192,000,000, as determined by the state treasurer on or before August 15, 2017, and if House Bill No. 2 is passed and approved, then the legislative branch general fund appropriation for "Legislative Services" in House Bill No. 2 is reduced by \$133,883 in fiscal year 2018 and \$133,851 in fiscal year 2019.

(2) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2018 is at level 3 or below as provided in [section 10(3)], and if prior general fund collections for fiscal year 2017 were high enough to prevent implementation of subsection (1), then the legislative branch general fund appropriation for "Legislative Services" in House Bill No. 2 is reduced by \$133,851 in fiscal year 2019.

(3) The legislative branch may allocate the appropriation reductions in subsections (1) and (2) among programs when developing 2019 biennium operating plans.

(4) The appropriation reductions in subsections (1) and (2) are in addition to the across-the-board reduction in general fund appropriations in [section 12]."

**Insert:**        "COORDINATION SECTION. Section 17. Coordination instruction -- level 3

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**budget reduction -- reduction in appropriation -- Montana state library commission.** (1) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2017 is less than \$2,192,000,000, as determined by the state treasurer on or before August 15, 2017, and if House Bill No. 2 is passed and approved, then the Montana state library commission general fund appropriation for "Statewide Library Resources" in House Bill No. 2 is reduced by \$666,527 in fiscal year 2018 and \$669,513 in fiscal year 2019 and the following language is inserted under "MONTANA STATE LIBRARY COMMISSION":

"Statewide Library Resources is appropriated up to \$666,527 of propriety funding in fiscal year 2018 and \$669,513 of propriety funding in fiscal year 2019 to offset the general fund appropriation reduction in Senate Bill No. 261."

(2) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2018 is at level 3 or below as provided in [section 10(3)], and if prior general fund collections for fiscal year 2017 were high enough to prevent implementation of subsection (1), then the Montana state library commission general fund appropriation for "Statewide Library Resources" in House Bill No. 2 is reduced by \$669,513 in fiscal year 2019 and the following language is inserted under "MONTANA STATE LIBRARY COMMISSION":

"Statewide Library Resources is appropriated up to \$669,513 of propriety funding in fiscal year 2019 to offset the general fund appropriation reduction in Senate Bill No. 261."

(3) The legislature intends that the appropriation reduction in subsections (1) and (2) be used to reduce general fund appropriations in support of the Montana digital library program by 50%.

(4) The Montana state library commission may allocate the appropriation reductions in subsections (1) and (2) among programs when developing 2019 biennium operating plans.

(5) The appropriation reductions in subsections (1) and (2) are in addition to the across-the-board reduction in general fund appropriations in [section 12]."

**Insert:           "COORDINATION SECTION. Section 18. Coordination instruction -- level 3 budget reduction -- reduction in appropriation -- Montana historical society -- increase in state special revenue fund authority.** (1) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2017 is less than \$2,192,000,000, as determined by the state treasurer on or before August 15, 2017, and if House Bill No. 2 is passed and approved, then the Montana historical society general fund appropriation for "Research Center" in House Bill No. 2 is reduced by \$608,710 in fiscal year 2018 and \$609,786 in fiscal year 2019 and the following language is inserted under "MONTANA HISTORICAL SOCIETY":

"Research Center is appropriated up to \$608,710 of propriety funding in fiscal year 2018 and \$609,786 of propriety funding in fiscal year 2019 to offset the general fund appropriation reduction in Senate Bill No. 261."

(2) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2018 is at level 3 or below as provided in [section 10(3)], and if prior general fund collections for fiscal year 2017 were high enough to prevent implementation of subsection (1), then the Montana historical society general fund appropriation for "Research Center" in House Bill No. 2 is reduced by \$609,786 in fiscal year

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2019 and the following language is inserted under "MONTANA HISTORICAL SOCIETY":

"Research Center is appropriated up to \$609,786 of propriety funding in fiscal year 2019 to offset the general fund appropriation reduction in Senate Bill No. 261."

(3) The legislature intends that the appropriation reduction in subsections (1) and (2) be used to reduce general fund appropriations in support of the research center program by 50%.

(4) The Montana historical society may allocate the appropriation reductions in subsections (1) and (2) among programs when developing 2019 biennium operating plans.

(5) The appropriation reductions in subsections (1) and (2) are in addition to the across-the-board reduction in general fund appropriations in [section 12].

(6) If House Bill No. 2 is passed and approved, then the Montana historical society state special revenue fund appropriation for "Museum Program" in House Bill No. 2 is increased by \$97,115 in fiscal year 2018 and \$91,695 in fiscal year 2019. The increase in this subsection (6) is not contingent on revenue projections."

**Insert:**        "COORDINATION SECTION. Section 19. Coordination instruction -- level 3 budget reduction -- fund transfer from lodging facility use tax account. (1) (a) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2017 is less than \$2,192,000,000, as determined by the state treasurer on or before August 15, 2017, then notwithstanding 15-65-121(5), the state treasurer shall transfer the amount provided for in subsection (1)(b) from the state special revenue account provided for in 15-65-121(5) to the general fund during the biennium beginning July 1, 2017. The distributions under 15-65-121(2)(d) must be reduced by the amount that is transferred to the general fund.

(b) The amount of the fund transfer provided for in subsection (1)(a) is equal to 8.1% of the 64.9% that is distributed during the biennium beginning July 1, 2017, under 15-65-121(2)(d). The state treasurer may deposit the amount to the credit of the state general fund periodically during the biennium at the same time as the other distributions, as long as the total amount of the distribution at the end of each fiscal year is equal to 8.1% of the 64.9% of the tax proceeds distributed under 15-65-121(2)(d).

(2)(a) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2018 is at level 3 or below as provided in [section 10(3)], and if prior general fund collections for fiscal year 2017 were high enough to prevent implementation of subsection (1), then notwithstanding 15-65-121(5), the state treasurer shall transfer the amount provided for in subsection (2)(b) from the state special revenue account provided for in 15-65-121(5) to the general fund during the fiscal year beginning July 1, 2018. The distributions under 15-65-121(2)(d) must be reduced by the amount that is transferred to the general fund.

(b) The amount of the fund transfer provided for in subsection (2)(a) is equal to 8.1% of the 64.9% that is distributed during the fiscal year beginning July 1, 2018, under 15-65-121(2)(d). The state treasurer may deposit the amount to the credit of the state general fund periodically during fiscal year 2019 at the same time as the other distributions, as long as the total amount of the distribution at the end of fiscal year 2019 is equal to 8.1% of the 64.9% of the tax proceeds distributed under 15-65-121(2)(d)."

**Insert:**        "COORDINATION SECTION. Section 20. Coordination instruction -- level 3

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**budget reduction -- reduction in appropriation -- department of agriculture.** (1) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2017 is less than \$2,192,000,000, as determined by the state treasurer on or before August 15, 2017, and if House Bill No. 2 is passed and approved, then the department of agriculture general fund appropriation for "Agricultural Development Division" in House Bill No. 2 is reduced by \$128,244 in fiscal year 2018 and \$128,383 in fiscal year 2019.

(2) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2018 is at level 3 or below as provided in [section 10(3)], and if prior general fund collections for fiscal year 2017 were high enough to prevent implementation of subsection (1), then the department of agriculture general fund appropriation for "Agricultural Development Division" in House Bill No. 2 is reduced by \$128,383 in fiscal year 2019.

(3) The legislature intends that the appropriation reduction in subsections (1) and (2) be used to reduce House Bill No. 2 general fund appropriations in support of the agricultural marketing program by 50%.

(4) The appropriation reductions in subsections (1) and (2) are in addition to the across-the-board reduction in general fund appropriations in [section 12]."

**Insert:           "COORDINATION SECTION. Section 21. Coordination instruction -- level 3 budget reduction -- reduction in appropriation -- department of public health and human services.**

(1) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2017 is less than \$2,192,000,000, as determined by the state treasurer on or before August 15, 2017, and if House Bill No. 2 is passed and approved, then the department of public health and human services general fund appropriation for "Health Resources Division" in House Bill No. 2 is reduced by \$3,500,000 in fiscal year 2018 and \$3,500,000 in fiscal year 2019.

(2) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2018 is at level 3 or below as provided in [section 10(3)], and if prior general fund collections for fiscal year 2017 were high enough to prevent implementation of subsection (1), then the department of public health and human services general fund appropriation for "Health Resources Division" in House Bill No. 2 is reduced by \$3,500,000 in fiscal year 2019.

(3) The legislature intends that the appropriation reduction in subsections (1) and (2) be used to reduce medicaid provider rates over the 2019 biennium. For the purpose of this subsection (3), the rate reduction must be calculated to provide for percentage based equivalency between all single providers and provider types to ensure that all single provider or provider types are subject to the same reduction percentage.

(4) The appropriation reductions in subsections (1) and (2) are in addition to the across-the-board reduction in general fund appropriations in [section 12]."

**Insert:           "COORDINATION SECTION. Section 22. Coordination instruction -- level 3 budget reduction -- mental health targeted case management services.**

(1) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2017 is less than \$2,192,000,000, as determined by the state treasurer on or before August 15, 2017, then for the biennium beginning July 1, 2017, the

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department of public health and human services general fund appropriation in House Bill No. 2 for the:

(a) "Addictive and Mental Disorder Division" is reduced by \$965,000 in fiscal year 2018 and \$965,000 in fiscal year 2019; and

(b) "Developmental Services Division" is reduced by \$965,000 in fiscal year 2018 and \$965,000 in fiscal year 2019.

(2) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2018 is at level 3 or below as provided in [section 10(3)], and if prior general fund collections for fiscal year 2017 were high enough to prevent implementation of subsection (1), then the department of public health and human services general fund appropriation in House Bill No. 2 for the:

(a) "Addictive and Mental Disorder Division" is reduced by \$965,000 in fiscal year 2019; and

(b) "Developmental Services Division" is reduced by \$965,000 in fiscal year 2019.

(3) The department of public health and human services shall reduce reimbursements for targeted case management services for adult and children's mental health by the amount of the reductions in subsections (1) and (2).

(4) The department of public health and human services may allocate the appropriation reductions in subsections (1) and (2) among the addictive and mental disorder division and the developmental services division when developing 2019 biennium operating plans."

**Insert:**        "COORDINATION SECTION. Section 23. Coordination instruction -- level 4 -- broadband pay plan -- appropriation void. (1) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2017 is less than \$2,180,000,000, as determined by the state treasurer on or before August 15, 2017, and if Senate Bill No. 294 is passed and approved, then the general fund appropriations in [section 12 of Senate Bill No. 294] for:

(a) fiscal year 2018 for "Legislative Branch", "Judicial Branch", "Executive Branch", and "Montana University System" are void; and

(b) fiscal year 2019 for "Legislative Branch" is reduced from \$124,184 to \$35,180, "Judicial Branch" is reduced from \$297,576 to \$84,299, "Executive Branch" is reduced from \$3,756,611 to \$1,064,196, and "Montana University System" is reduced from \$3,493,577 to \$1,142,646.

(2) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2018 is at level 4 or below as provided in [section 10(3)], and if prior general fund collections for fiscal year 2017 were high enough to prevent implementation of subsection (1), and if Senate Bill No. 294 is passed and approved, then the general fund appropriations in [section 12 of Senate Bill No. 294] for fiscal year 2019 for "Legislative Branch" is reduced from \$124,184 to \$35,180, "Judicial Branch" is reduced from \$297,576 to \$84,299, "Executive Branch" is reduced from \$3,756,611 to \$1,064,196, and "Montana University System" is reduced from \$3,493,577 to \$1,142,646."

**Insert:**        "COORDINATION SECTION. Section 24. Coordination instruction -- level 4 budget reduction -- secondary vo-ed. (1) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2017

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is less than \$2,180,000,000, as determined by the state treasurer on or before August 15, 2017, and if House Bill No. 2 is passed and approved, then the office of superintendent of public instruction general fund appropriation for "Secondary Vo-ed" in House Bill No. 2 must be reduced by \$500,000 in fiscal year 2018 and by \$500,000 in fiscal year 2019.

(2) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2018 is at level 4 or below as provided in [section 10(3)], and if House Bill No. 2 is passed and approved, then the office of superintendent of public instruction general fund appropriation for "Secondary Vo-ed" in House Bill No. 2 must be reduced by \$500,000 in fiscal year 2019."

**Insert:**        "COORDINATION SECTION. Section 25. Coordination instruction -- level 4 budget reduction -- data-for-achievement payment. (1) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2017 is less than \$2,180,000,000, as determined by the state treasurer on or before August 15, 2017, then:

(a) notwithstanding 20-9-306, 20-9-308, 20-9-325, 20-9-326, 20-9-344, and 20-9-366, the office of public instruction shall suspend payment of the data-for-achievement payment for fiscal year 2018 and fiscal year 2019 and reduce BASE aid payments to school districts accordingly; and

(b) if House Bill No. 2 is passed and approved, the office of superintendent of public instruction general fund appropriation for "K-12 BASE Aid" in House Bill No. 2 must be reduced by \$3,109,347 in fiscal year 2018 and by \$3,180,038 in fiscal year 2019 for the purpose of suspending the data-for-achievement payment.

(2) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2018 is at level 4 or below as provided in [section 10(3)], and if prior general fund collections for fiscal year 2017 were high enough to prevent implementation of subsection (1), then:

(a) notwithstanding 20-9-306, 20-9-308, 20-9-325, 20-9-326, 20-9-344, and 20-9-366, the office of public instruction shall suspend payment of the data-for-achievement payment for fiscal year 2019 and reduce BASE aid payments to school districts accordingly; and

(b) if House Bill No. 2 is passed and approved, the office of superintendent of public instruction general fund appropriation for "K-12 BASE Aid" in House Bill No. 2 must be reduced by \$3,180,038 in fiscal year 2019 for the purpose of suspending the data-for-achievement payment."

**Insert:**        "COORDINATION SECTION. Section 26. Coordination instruction -- level 4 budget reduction -- combined fund block grants. (1) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2017 is less than \$2,180,000,000, as determined by the state treasurer on or before August 15, 2017, then:

(a) notwithstanding 20-9-630, the office of public instruction shall reduce the amount of the school district combined fund block grants by 47.68% for both fiscal year 2018 and fiscal year 2019; and

(b) if House Bill No. 2 is passed and approved, the office of superintendent of public instruction general fund appropriation for "Reimbursement Block Grants" in House Bill No. 2

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must be reduced by \$2,800,000 in fiscal year 2018 and by \$2,800,000 in fiscal year 2019 for the purpose of reducing school district combined fund block grants.

(2) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2018 is at level 4 or below as provided in [section 10(3)], and if prior general fund collections for fiscal year 2017 were high enough to prevent implementation of subsection (1), then:

(a) notwithstanding 20-9-630, the office of public instruction shall reduce the amount of the school district combined fund block grants by 47.68% for fiscal year 2019; and

(b) if House Bill No. 2 is passed and approved, the office of superintendent of public instruction general fund appropriation for "Reimbursement Block Grants" in House Bill No. 2 must be reduced by \$2,800,000 in fiscal year 2019 for the purpose of reducing school district combined fund block grants."

**Insert:           "COORDINATION SECTION. Section 27. Coordination instruction -- level 4 budget reduction -- natural resource development payment.** (1) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2017 is less than \$2,180,000,000, as determined by the state treasurer on or before August 15, 2017, then:

(a) if House Bill No. 647 is passed and approved, [section 18(2) of House Bill No. 647] must be amended as follows:

"(2) Beginning in fiscal year ~~2019~~ 2020, the superintendent of public instruction shall annually deposit no later than March 31 in the school facility and technology account provided for in 20-9-516 the natural resource development K-12 school facilities payment, which is calculated as the greater of:

(A) ~~\$5.8 million in fiscal year 2019~~, \$6.4 million in fiscal year 2020, \$7.6 million in fiscal year 2021, and \$10 million in fiscal year 2022, increased by an inflationary adjustment calculated as provided in 20-9-326 in each succeeding fiscal year; or

(B) 5% of the oil and natural gas production taxes deposited in the general fund pursuant to 15-36-331(4) for the fiscal year occurring 2 fiscal years prior to the fiscal year of the payment."; and

(b) if House Bill No. 2 is passed and approved, the office of superintendent of public instruction general fund appropriation for the "Natural Resource Development K-12 School Facilities Payment" in House Bill No. 2 for 2019 must be eliminated.

(2) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2018 is at level 4 or below as provided in [section 10(3)], and if prior general fund collections for fiscal year 2017 were high enough to prevent implementation of subsection (1), then:

(a) if House Bill No. 647 is passed and approved, [section 18(2) of House Bill No. 647] must be amended as follows:

"(2) Beginning in fiscal year ~~2019~~ 2020, the superintendent of public instruction shall annually deposit no later than March 31 in the school facility and technology account provided for in 20-9-516 the natural resource development K-12 school facilities payment, which is calculated as the greater of:

(A) ~~\$5.8 million in fiscal year 2019~~, \$6.4 million in fiscal year 2020, \$7.6 million in fiscal year 2021, and \$10 million in fiscal year 2022, increased by an inflationary adjustment

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calculated as provided in 20-9-326 in each succeeding fiscal year; or

(B) 5% of the oil and natural gas production taxes deposited in the general fund pursuant to 15-36-331(4) for the fiscal year occurring 2 fiscal years prior to the fiscal year of the payment."; and

(b) if House Bill No. 2 is passed and approved, the office of superintendent of public instruction general fund appropriation for the "Natural Resource Development K-12 School Facilities Payment" in House Bill No. 2 for 2019 must be eliminated."

**Insert:**        "COORDINATION SECTION. Section 28. Coordination instruction -- level 4 budget reduction -- native language preservation. (1) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2017 is less than \$2,180,000,000, as determined by the state treasurer on or before August 15, 2017, and if House Bill No. 2 is passed and approved, then the department of commerce general fund appropriation for "Native Language Preservation" in House Bill No. 2 must be reduced by \$125,000 in fiscal year 2018 and by \$125,000 in fiscal year 2019.

(2) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2018 is at level 4 or below as provided in [section 10(3)], and if House Bill No. 2 is passed and approved, then the department of commerce general fund appropriation for "Native Language Preservation" in House Bill No. 2 must be reduced by \$125,000 in fiscal year 2019."

**Insert:**        "COORDINATION SECTION. Section 29. Coordination instruction -- Senate Bill No. 281 and fire suppression account. (1) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2017 is equal to or greater than \$2,209,000,000, as determined by the state treasurer on or before August 15, 2017, and Senate Bill No. 281 and [this act] are passed and approved, and both contain a section that amends 76-13-150, then the sections amending 76-13-150 are void and 76-13-150 must be amended as follows:

**"76-13-150. Fire suppression account -- fund transfer.** (1) There is a fire suppression account in the state special revenue fund to the credit of the department.

(2) The legislature may transfer money from other funds to the account, and the money in the account is subject to legislative fund transfers.

(3) Funds received for restitution by private parties must be deposited in the account.

(4) Money in the account may be used only for: ~~the purpose of paying expenses for fire prevention, including fuel reduction and mitigation, forest restoration, grants for the purchase of fire suppression equipment for county cooperatives, and~~

(a) fire suppression costs;

(b) fuel reduction and mitigation;

(c) forest restoration;

(d) grants for the purchase of fire suppression equipment for county cooperatives;

(e) forest management projects on federal land;

(f) support for collaborative groups that include at least one representative of an affected county commission that is engaged with a federal forest project and for local governments engaged in litigation related to federal forest projects; and

(g) road maintenance on federal lands.-

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(5) Interest earned on the balance of the account is retained in the account.

(6) Except as provided in subsections (7) and (8), by August 15 following the end of each fiscal year, an amount equal to the balance of unexpended and unencumbered general fund money appropriated in excess of 0.5% of the total general fund money appropriated for that fiscal year must be transferred by the state treasurer from the general fund to the fire suppression account. General fund appropriations that continue from a fiscal year to the next fiscal year and any general fund appropriations made pursuant to 10-3-310 or 10-3-312 are excluded from the calculation.

(7) The provisions of subsection (6) do not apply in a fiscal year in which reductions required by 17-7-140 occur or if a transfer pursuant to subsection (6) would require reductions pursuant to 17-7-140.

(8) The fund balance in the account may not exceed ~~\$100 million~~ 4% of all general fund appropriations in the second year of the biennium.

~~(9) Up to \$5 million each biennium may be used for the purpose of fuel reduction and mitigation and forest restoration~~ By August 15 of each even-numbered fiscal year, if the balance in the account at the end of the most recently completed odd-numbered fiscal year exceeds \$40 million, the excess, up to \$5 million, must be used in the biennium for the purposes in subsections (4)(b) through (4)(g). Of that amount, no more than 5% may be used for the purposes of subsection (4)(f).

(10) For the fiscal year ending June 30, 2017, the state treasurer may not transfer from the general fund to the fire suppression account.

~~(10)~~(11) Money in the account is statutorily appropriated, as provided in 17-7-502, to the department for the purposes described in subsection (4)."

(2) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2017 is less than \$2,209,000,000, as determined by the state treasurer on or before August 15, 2017, and Senate Bill No. 281 and [this act] are passed and approved, and both contain a section that amends 76-13-150, then the sections amending 76-13-150 are void and 76-13-150 must be amended as follows:

**"76-13-150. Fire suppression account -- fund transfer.** (1) There is a fire suppression account in the state special revenue fund to the credit of the department.

(2) The legislature may transfer money from other funds to the account, and the money in the account is subject to legislative fund transfers.

(3) Funds received for restitution by private parties must be deposited in the account.

(4) Money in the account may be used only for: ~~the purpose of paying expenses for fire prevention, including fuel reduction and mitigation, forest restoration, grants for the purchase of fire suppression equipment for county cooperatives, and~~

(a) fire suppression costs;

(b) fuel reduction and mitigation;

(c) forest restoration;

(d) grants for the purchase of fire suppression equipment for county cooperatives;

(e) forest management projects on federal land;

(f) support for collaborative groups that include at least one representative of an affected county commission that is engaged with a federal forest project and for local governments engaged in litigation related to federal forest projects; and

(g) road maintenance on federal lands.-

(5) Interest earned on the balance of the account is retained in the account.

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(6) Except as provided in subsections (7) and (8), by August 15 following the end of each fiscal year, an amount equal to the balance of unexpended and unencumbered general fund money appropriated in excess of 0.5% of the total general fund money appropriated for that fiscal year must be transferred by the state treasurer from the general fund to the fire suppression account. General fund appropriations that continue from a fiscal year to the next fiscal year and any general fund appropriations made pursuant to 10-3-310 or 10-3-312 are excluded from the calculation.

(7) The provisions of subsection (6) do not apply in a fiscal year in which reductions required by 17-7-140 occur or if a transfer pursuant to subsection (6) would require reductions pursuant to 17-7-140.

(8) The fund balance in the account may not exceed \$100 million 4% of all general fund appropriations in the second year of the biennium.

(9) Up to \$5 million each biennium may be used for the purpose of fuel reduction and mitigation and forest restoration Beginning on July 1, 2019, by August 15 of each even-numbered fiscal year, if the balance in the account at the end of the most recently completed odd-numbered fiscal year exceeds \$40 million, the excess, up to \$5 million, must be used in the biennium for the purposes in subsections (4)(b) through (4)(g). Of that amount, no more than 5% may be used for the purposes of subsection (4)(f).

(10) For the fiscal year ending June 30, 2017, the state treasurer may not transfer from the general fund to the fire suppression account.

~~(10)~~(11) Money in the account is statutorily appropriated, as provided in 17-7-502, to the department for the purposes described in subsection (4)."

**Insert:**        "COORDINATION SECTION. Section 30. Coordination instruction -- fire suppression account -- effective July 1, 2019. If Senate Bill No. 281 and [this act] are passed and approved, and both contain a section that amends 76-13-150, then the sections amending 76-13-150 are void and 76-13-150 must be amended as follows:

**"76-13-150. Fire suppression account -- fund transfer.** (1) There is a fire suppression account in the state special revenue fund to the credit of the department.

(2) The legislature may transfer money from other funds to the account, and the money in the account is subject to legislative fund transfers.

(3) Funds received for restitution by private parties must be deposited in the account.

(4) Money in the account may be used only for: ~~the purpose of paying expenses for fire prevention, including fuel reduction and mitigation, forest restoration, grants for the purchase of fire suppression equipment for county cooperatives, and~~

(a) fire suppression costs;

(b) fuel reduction and mitigation;

(c) forest restoration;

(d) grants for the purchase of fire suppression equipment for county cooperatives;

(e) forest management projects on federal land;

(f) support for collaborative groups that include at least one representative of an affected county commission that is engaged with a federal forest project and for local governments engaged in litigation related to federal forest projects; and

(g) road maintenance on federal lands.-

(5) Interest earned on the balance of the account is retained in the account.

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(6) Except as provided in subsections (7) and (8), by August 15 following the end of each fiscal year, an amount equal to the balance of unexpended and unencumbered general fund money appropriated in excess of 0.5% of the total general fund money appropriated for that fiscal year must be transferred by the state treasurer from the general fund to the fire suppression account. General fund appropriations that continue from a fiscal year to the next fiscal year and any general fund appropriations made pursuant to 10-3-310 or 10-3-312 are excluded from the calculation.

(7) The provisions of subsection (6) do not apply in a fiscal year in which reductions required by 17-7-140 occur or if a transfer pursuant to subsection (6) would require reductions pursuant to 17-7-140.

(8) The fund balance in the account may not exceed ~~\$100 million~~ 4% of all general fund appropriations in the second year of the biennium.

(9) ~~Up to \$5 million each biennium may be used for the purpose of fuel reduction and mitigation and forest restoration~~ By August 15 of each even-numbered fiscal year, if the balance in the account at the end of the most recently completed odd-numbered fiscal year exceeds \$40 million, the excess, up to \$5 million, must be used in the biennium for the purposes in subsections (4)(b) through (4)(g). Of that amount, no more than 5% may be used for the purposes of subsection (4)(f).

(10) Money in the account is statutorily appropriated, as provided in 17-7-502, to the department for the purposes described in subsection (4)."

**Insert:** "COORDINATION SECTION. Section 31. Coordination instruction -- House Bill No. 638. (1) If House Bill No. 638 is passed and approved, then:

(a) [section 9 of House Bill No. 638] must be amended as follows:

**"Section 9. Effective date ~~dates~~ -- contingency.** ~~[This act]~~ (1) Except as provided in subsection (2), ~~[this act]~~ is effective ~~July 1~~ August 15, 2017.

(2) ~~[Sections 2 through 8]~~ are effective only if on:

(a) August 15, 2017, the state treasurer certifies that unaudited general fund revenue and transfers into the general fund received at the end of fiscal year 2017 are equal to or greater than \$2,220,000,000; or

(b) August 15, 2018, the state treasurer certifies that unaudited general fund revenue and transfers into the general fund received at the end of fiscal year 2018 are equal to or greater than \$2,375,000,000."

(2) If the amount of the certified unaudited state general fund revenue and transfers into the general fund received at the end of fiscal year 2017 is less than \$2,220,000,000, as determined by the state treasurer on or before August 15, 2017, then:

(a) [section 1 of House Bill No. 638] must be amended as follows:

**"Section 1. Appropriation for direct care worker wages.** (1) The following amounts are appropriated to the department of public health and human services for the biennium beginning ~~July 1, 2017~~ 2018, for a rate increase for developmental disability services providers to be phased in and used as provided in this section:

Fiscal Year ~~2018~~ 2019            \$5,277,977    federal special revenue

   \$2,789,240    state special revenue fund

Fiscal Year 2019    ~~\$12,326,129~~    federal special revenue

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~~\$6,526,928~~ state special revenue fund

(2) Providers must use the appropriation to increase wages only for workers who:

- (a) provide direct care;
- (b) are employed in community services established pursuant to 53-20-205; and
- (c) are not state employees.

(3) Except as provided in subsection (4), the department shall phase in the appropriation on July 1 and January 1 of each year of the biennium in a manner that provides the equivalent of an increase in wages of at least 75 cents an hour per employee.

(4) (a) If the appropriation is insufficient to provide the equivalent of a biannual increase of 75 cents an hour per employee, the department shall provide the maximum provider rate increase possible from the appropriation.

(b) If the appropriation allows for the equivalent of a ~~biannual~~ an increase of more than 75 cents an hour per employee, the department shall use the full amount of the appropriation to provide the greater increase.

(5) The appropriation in this section is intended to increase medicaid services and not to supplant the general fund in the trended traditional level of appropriation for medicaid services and medicaid provider rates. The appropriation in this section may not be used to provide wages to program managers, administrative staff, management staff, schedulers, nurse supervisors, licensed practical nurses, registered nurses, or case managers.

(6) The legislature intends that the appropriation in this section be considered a part of the ongoing base for the next legislative session.";

(b) [section 2 of House Bill No. 638] must be amended as follows:

**"Section 2. Appropriation for direct care worker wages.** (1) The following amounts are appropriated to the department of public health and human services for the ~~biennium~~ fiscal year beginning July 1, ~~2017~~ 2018, for a rate increase for home and community-based services waiver direct care workers and for community services personal care assistants to be administered by the senior and long-term care division for elderly and physically disabled individuals, to be phased in and used as provided in this section:

Fiscal Year <del>2018</del> <u>2019</u>	\$808,268	federal special revenue
	\$427,144	state special revenue fund
Fiscal Year 2019	<del>\$1,211,568</del>	<del>federal special revenue</del>
	<del>\$641,549</del>	<del>state special revenue fund</del>

(2) Providers may use the appropriation to increase wages only for workers who:

- (a) provide direct care;
- (b) are employed in community services; and
- (c) are not state employees.

(3) The department shall use the appropriation ~~starting on:~~

~~(a) July 1, 2017, to increase wages by at least \$1.50 an hour per employee; and~~

~~(b) July 1, 2018, to increase wages by at least \$2.25 an hour per employee.~~

(4) The appropriation in this section is intended to increase medicaid services and not to supplant the general fund in the trended traditional level of appropriation for medicaid services and medicaid provider rates. The appropriation in this section may not be used to provide wages to program managers, administrative staff, management staff, schedulers, nurse supervisors, licensed practical nurses, registered nurses, or case managers.

(5) The legislature intends that the appropriation in this section be considered a part of the ongoing base for the next legislative session."; and

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(c) [section 5 of House Bill No. 638] must be amended as follows:

**"Section 5. Transfer of funds to direct care worker wage account.** By ~~July 1, 2017~~ August 15, 2018, the state treasurer shall transfer ~~\$1,068,693~~ \$427,144 from the older Montanans trust fund, provided for in 52-3-115, to the direct care worker wage account provided in [section 3] for the ~~biennium beginning~~ fiscal year beginning July 1, 2017 2018."

**Insert:** "COORDINATION SECTION. Section 32. Coordination instruction -- House Bill No. 261. (1) If House Bill No. 261 is passed and approved, then [section 2 of House Bill No. 261] must be amended as follows:

**"Section 2. Contingent voidness.** ~~(1)~~ If the certified unaudited general fund revenue and transfers into the general fund received in fiscal year 2017 are less than ~~\$2,213,000,000~~ \$2,217,000,000, as determined by the state treasurer on or before August 15, 2017, the statutory ~~appropriation~~ appropriations in 22-1-327 for fiscal ~~year~~ years 2018 ~~is~~ and 2019 are void.

~~(2) If the certified unaudited general fund revenue and transfers into the general fund received in fiscal year 2018 are less than \$2,360,000,000, the statutory appropriation in 22-1-327 for fiscal year 2019 is void."~~

(2) The state treasurer shall notify the budget director, the legislative fiscal analyst, and the code commissioner on or before August 15, 2017, regarding whether amount of the certified general fund revenue and transfers into the general fund received at the end of fiscal year 2017 is less than the amount provided in [section 2 of House Bill No. 261], as amended by subsection (1)."

**Insert:** "NEW SECTION. Section 33. Severability. If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications."

**Renumber:** subsequent sections

28. Page 18, line 2.

**Strike:** "[This act]"

**Insert:** "(1) Except as provided in subsections (2) and (3), [this act]"

**Following:** line 2

**Insert:** "(2) [Section 30] is effective July 1, 2019.

(3) [Sections 32 and 33] and this section are effective on passage and approval."

29. Page 18, line 3.

**Following:** line 2

**Insert:** "NEW SECTION. Section 35. Termination. [Sections 13, 27, and 29] terminate June 30, 2019."

For the Senate:  
L. Jones, Chair  
Moore  
Sesso

For the House:  
Ballance, Vice Chair  
Brodehl  
Eck

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**SPECIAL ORDERS OF THE DAY**

Minority Leader Sesso and Majority Leader Thomas thanked President Sales for his leadership during the 65th Legislative Session and presented appreciation gifts from the Senate.

Majority Leader Thomas moved the Senate recess until 3:30 p.m. this day. Motion carried. Senate recessed at 2:38 p.m.

Senate reconvened at 3:30 p.m. President Sales presiding. Forty-eight members present, Senators Brown and Fielder excused.

**MESSAGES FROM THE GOVERNOR**

April 26, 2017

The Honorable Scott Sales  
President of the Senate  
State Capitol  
Helena, MT 59620

Dear President Sales:

In accordance with the power vested in me as Governor by the Constitution and laws of the State of Montana, I hereby return with an amendment Senate Bill 307 (SB 307), "AN ACT GENERALLY REVISING LAWS RELATED TO SCHOOL FUNDING; REQUIRING TRUSTEES TO ADOPT A RESOLUTION WITH PUBLIC NOTICE PRIOR TO INCREASING NONVOTED LEVIES; MAKING A SCHOOL DISTRICT'S ABILITY TO TRANSFER FUNDS FOR SCHOOL SAFETY PURPOSES PERMANENT; REQUIRING SUBFUNDS TO ACCOUNT FOR VARIOUS REVENUES AND USES OF THE BUILDING RESERVE FUND; AUTHORIZING A LIMITED LEVY FOR SCHOOL MAJOR MAINTENANCE WITH STATE SUPPORT; RENAMING THE SCHOOL FACILITY REIMBURSEMENT PROGRAM THE DEBT SERVICE ASSISTANCE PROGRAM; CREATING A STATE SPECIAL REVENUE ACCOUNT AND PROGRAM FOR SCHOOL MAJOR MAINTENANCE AID; PHASING OUT THE QUALITY SCHOOLS FACILITY GRANT PROGRAM; AMENDING SECTIONS 20-6-702, 20-9-236, 20-9-343, 20-9-367, 20-9-502, AND 20-9-516, MCA; REPEALING SECTIONS 90-6-801, 90-6-802, 90-6-803, 90-6-809, 90-6-810, 90-6-811, 90-6-812, 90-6-818, AND 90-6-819, MCA; REPEALING SECTION 12, CHAPTER 364, LAWS OF 2013, AND SECTION 3, CHAPTER 323, LAWS OF 2015; AND PROVIDING EFFECTIVE DATES AND APPLICABILITY DATES."

SB 307 directs school districts to notice nonvoted levies to the electorate in Fiscal Year (FY) 2017 by April 15, 2017, among other things. This April 15 date is past and would be unachievable for school districts in this fiscal year. Therefore, my amendment requests that the date of April 15, 2017, currently in the bill be changed to June 1, 2017, to allow school districts to comply with the law.

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I respectfully ask for your support of this amendment.

Sincerely,

STEVE BULLOCK  
Governor

**Amendments to Senate Bill No. 307**  
Reference Copy  
Requested by the Governor

For the Senate Committee of the Whole

Prepared by Susan Byorth Fox  
April 26, 2017 (2:21pm)

1. Page 1, line 23.

**Strike:** "April 15"

**Insert:** "June 1"

2. Page 6, line 21.

**Strike:** "April 15"

**Insert:** "June 1"

3. Page 16, line 3.

**Strike:** "April 15"

**Insert:** "June 1"

**MESSAGES FROM THE OTHER HOUSE**

**Senate joint resolution not** concurred in and returned to the Senate:

4/24/2017

**SJ 24**, introduced by D. Sands

**SECOND READING OF BILLS  
(COMMITTEE OF THE WHOLE)**

Majority Leader Thomas moved the Senate resolve itself into a Committee of the Whole for consideration of business on second reading. Motion carried. President Sales in the chair.

We, your Committee of the Whole, having had under consideration business on second reading, recommend as follows:

**SB 261 - Free Conference Committee Report No. 1** - Senator L. Jones moved the Free

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Conference Committee report to **SB 261** be adopted. Motion carried as follows:

Yeas: Ankney, Barrett, Blasdel, Connell, Facey, Fitzpatrick, Gauthier, Gross, Hinebauch, Jones, Kary, Lang, MacDonald, Malek, McClafferty, Moore, Olszewski, Osmundson, Phillips, Pomnichowski, Regier, Richmond, Salomon, Sesso, Small, Smith C, Smith F, Swandal, Tempel, Thomas, Vincent, Vuckovich, Webb, Welborn, Whitford, Wolken.  
Total 36

Nays: Boland, Buttrey, Caferro, Cohenour, Hinkle, Hoven, Howard, Keenan, McNally, Sands, Vance, Mr.President.  
Total 12

Absent or not voting: None.  
Total 0

Excused: Brown, Fielder.  
Total 2

**SB 307 - Governor's Amendments** - Senator L. Jones moved Governor's amendments to **SB 307** be concurred in. Motion carried as follows:

Yeas: Ankney, Barrett, Blasdel, Boland, Buttrey, Caferro, Cohenour, Connell, Facey, Fitzpatrick, Gauthier, Gross, Hinebauch, Hinkle, Hoven, Howard, Jones, Kary, Keenan, Lang, MacDonald, Malek, McClafferty, McNally, Moore, Olszewski, Osmundson, Phillips, Pomnichowski, Regier, Richmond, Salomon, Sands, Sesso, Small, Smith C, Smith F, Swandal, Tempel, Thomas, Vance, Vincent, Vuckovich, Webb, Welborn, Whitford, Wolken, Mr.President.  
Total 48

Nays: None.  
Total 0

Absent or not voting: None.  
Total 0

Excused: Brown, Fielder.  
Total 2

Majority Leader Thomas moved the committee **rise, report progress, and beg leave to sit again**. Motion carried. Committee arose. Senate resumed. President Sales presiding.

Majority Leader Thomas moved the Committee of the Whole report be adopted. Report adopted as follows:

Yeas: Ankney, Barrett, Blasdel, Boland, Buttrey, Cohenour, Connell, Facey, Fitzpatrick, Gauthier, Gross, Hinebauch, Hinkle, Hoven, Howard, Jones, Kary, Keenan, Lang, MacDonald,

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Malek, McClafferty, McNally, Moore, Olszewski, Osmundson, Phillips, Pomnichowski, Regier, Richmond, Salomon, Sands, Sesso, Small, Smith C, Smith F, Swandal, Tempel, Thomas, Vance, Vincent, Vuckovich, Webb, Welborn, Whitford, Wolken, Mr.President.  
Total 47

Nays: Caferro.  
Total 1

Absent or not voting: None.  
Total 0

Excused: Brown, Fielder.  
Total 2

**THIRD READING OF BILLS**

The following bills having been read three several times, title and history agreed to, were disposed of in the following manner:

**SB 168, as amended by the House**, passed as follows:

Yeas: Ankney, Barrett, Blasdel, Boland, Buttrey, Caferro, Cohenour, Connell, Facey, Fitzpatrick, Gauthier, Gross, Hinkle, Hoven, Jones, Keenan, Lang, MacDonald, Malek, McClafferty, McNally, Moore, Phillips, Pomnichowski, Regier, Richmond, Salomon, Sands, Sesso, Small, Smith F, Swandal, Tempel, Thomas, Vincent, Vuckovich, Welborn, Whitford, Wolken.  
Total 39

Nays: Hinebauch, Howard, Kary, Olszewski, Osmundson, Smith C, Vance, Webb, Mr.President.  
Total 9

Absent or not voting: None.  
Total 0

Excused: Brown, Fielder.  
Total 2

**SB 374, Conference Committee Report No. 1**, adopted as follows:

Yeas: Ankney, Barrett, Blasdel, Boland, Buttrey, Caferro, Cohenour, Connell, Facey, Fitzpatrick, Gauthier, Gross, Hinebauch, Hinkle, Hoven, Howard, Jones, Keenan, Lang, MacDonald, Malek, McClafferty, McNally, Moore, Olszewski, Osmundson, Phillips, Pomnichowski, Regier, Richmond, Salomon, Sands, Sesso, Small, Smith C, Swandal, Tempel, Thomas, Vance, Vincent, Vuckovich, Webb, Welborn, Whitford, Wolken, Mr.President.

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Total 46

Nays: Kary, Smith F.

Total 2

Absent or not voting: None.

Total 0

Excused: Brown, Fielder.

Total 2

**SB 55, as amended by the Governor**, passed as follows:

Yeas: Ankney, Barrett, Boland, Buttrey, Caferro, Cohenour, Connell, Facey, Fitzpatrick, Gauthier, Gross, Hinebauch, Hoven, Howard, Jones, Kary, Keenan, Lang, MacDonald, Malek, McClafferty, McNally, Moore, Olszewski, Osmundson, Phillips, Pomnichowski, Regier, Richmond, Salomon, Sands, Sesso, Small, Smith C, Smith F, Swandal, Tempel, Thomas, Vance, Vincent, Vuckovich, Webb, Welborn, Whitford, Wolken, Mr.President.

Total 46

Nays: Blasdel, Hinkle.

Total 2

Absent or not voting: None.

Total 0

Excused: Brown, Fielder.

Total 2

**SB 307, as amended by the Governor**, passed as follows:

Yeas: Ankney, Barrett, Blasdel, Boland, Buttrey, Caferro, Cohenour, Connell, Facey, Fitzpatrick, Gauthier, Gross, Hinebauch, Hinkle, Hoven, Jones, Kary, Lang, MacDonald, Malek, McClafferty, McNally, Moore, Olszewski, Osmundson, Phillips, Pomnichowski, Regier, Richmond, Salomon, Sands, Sesso, Small, Smith C, Swandal, Tempel, Thomas, Vance, Vincent, Vuckovich, Welborn, Whitford, Wolken, Mr.President.

Total 44

Nays: Howard, Keenan, Smith F, Webb.

Total 4

Absent or not voting: None.

Total 0

Excused: Brown, Fielder.

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Total 2

**SB 95, Free Conference Committee Report No. 1**, adopted as follows:

Yeas: Ankney, Barrett, Blasdel, Boland, Buttrey, Caferro, Cohenour, Connell, Facey, Fitzpatrick, Gauthier, Gross, Jones, Lang, MacDonald, Malek, McClafferty, McNally, Moore, Olszewski, Osmundson, Phillips, Pomnichowski, Regier, Richmond, Sands, Sesso, Small, Smith F, Swandal, Tempel, Thomas, Vincent, Vuckovich, Welborn, Whitford, Wolken.  
Total 37

Nays: Hinebauch, Hinkle, Hoven, Howard, Kary, Keenan, Salomon, Smith C, Vance, Webb, Mr.President.  
Total 11

Absent or not voting: None.  
Total 0

Excused: Brown, Fielder.  
Total 2

**SB 261, Free Conference Committee Report No. 1**, adopted as follows:

Yeas: Ankney, Barrett, Blasdel, Connell, Facey, Fitzpatrick, Gauthier, Gross, Hinebauch, Jones, Kary, Lang, MacDonald, Malek, McClafferty, Moore, Olszewski, Osmundson, Phillips, Pomnichowski, Regier, Richmond, Salomon, Sesso, Small, Smith C, Swandal, Tempel, Thomas, Vincent, Vuckovich, Webb, Welborn, Whitford, Wolken.  
Total 35

Nays: Boland, Buttrey, Caferro, Cohenour, Hinkle, Hoven, Howard, Keenan, McNally, Sands, Smith F, Vance, Mr.President.  
Total 13

Absent or not voting: None.  
Total 0

Excused: Brown, Fielder.  
Total 2

Majority Leader Thomas moved the Senate recess until 5:00 p.m. this day. Motion carried.  
Senate recessed at 4:05 p.m.

Senate reconvened at 6:00 p.m. President Sales presiding. Forty-seven members present.  
Senators Brown and Fielder and Gauthier excused.

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**MOTIONS**

Senator Sesso moved that **HJ 28** be taken from the Energy and Telecommunications Committee and placed on second reading the next legislative day. Motion carried as follows:

Yeas: Barrett, Boland, Buttrey, Caferro, Cohenour, Facey, Fitzpatrick, Gross, Jones, MacDonald, Malek, McClafferty, McNally, Moore, Phillips, Pomnichowski, Richmond, Salomon, Sands, Sesso, Smith F, Thomas, Vuckovich, Whitford, Wolken.  
Total 25

Nays: Ankney, Blasdel, Connell, Hinebauch, Hinkle, Hoven, Howard, Kary, Keenan, Lang, Olszewski, Osmundson, Regier, Small, Smith C, Swandal, Tempel, Vance, Vincent, Webb, Welborn, Mr. President.  
Total 22

Absent or not voting: None.  
Total 0

Excused: Brown, Fielder, Gauthier.  
Total 3

**ANNOUNCEMENTS**

Majority Leader Thomas moved that the Senate adjourn until 8:00 a.m., Thursday, April 27, 2017. Motion carried.

Senate adjourned at 6:05 p.m.

MARILYN MILLER  
Secretary of the Senate

SCOTT SALES  
President of the Senate